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Moda'i backs away from PM's ire

Jerusalem Post Staff
 "A minister who refuses to support a majority cabinet decision should resign," Prime Minister Peres declared last night, referring to Finance Minister Moda'i's recent attacks on him over economic policy. Also reflecting the growing discontent with Moda'i within Peres's Labour Party, Police Minister Haim Bar-Lev told *The Jerusalem Post* last night: "Moda'i's remarks were hurtful, pure and simple, and could bring about the dissolution of the unity government."

Peres's aides said yesterday that the prime minister took a very grave view of Moda'i's media comments and insisted that the finance minister either disavow them or apologize. Peres's aides said that Moda'i's remarks were much more offensive than Industry Minister Ariel Sharon's criticism several months ago which almost caused the collapse of the government. In that instance, however, Peres made Sharon back down. Peres was reportedly so stunned by Moda'i's remarks that he called the Labour ministers into session last night at his Tel Aviv bureau to coordinate a stand on the finance minister's tirade and its threat to the coalition. While Peres was visiting the U.S., Moda'i gave press interviews in which he referred to the "flying prime minister" who squandered money on Histadrut bodies to the point of "robbery". He also said that Peres had no understanding of economics.

One explanation offered for Moda'i's outburst was that the finance minister felt that Peres had outwitted him in the final stages of the negotiations over the state budget and the measures to rescue tottering Histadrut enterprises. According to this view, Moda'i was compensating by lashing out wildly at Peres, and hence trying to divert Likud criticism of the budget away from himself. At the prime minister's request, Moda'i met with Peres before yesterday's cabinet meeting. Peres read from clippings of Moda'i's interviews. Moda'i claimed that some of the statements were inaccurate, and that he had never made some others. When Peres left the 15-minute meeting on his way to the cabinet meeting, he asked his spokesman to check with the journalists concerned. Peres received a note from the spokesman during the cabinet session saying the journalists had stuck to their stories. Peres passed this on to Moda'i, adding a request that Moda'i clarify further. Moda'i said he would check and get back to the prime minister.

At the end of the cabinet session, Peres said he wanted to make a personal statement. He said he took a grave view of Moda'i's statements, but would wait for clarification from Moda'i before adopting a position. Peres later told Vice Premier Shamir that he took a grave view of Moda'i's interviews. Shamir's aides said the vice premier had told Peres that "there was no call to get agitated about every statement made by somebody or other." Shamir's aides also suggested that the Labour Party was very pleased to have a crisis on the eve of its convention. According to some sources, Labour ministers last night also discussed growing calls from within their party to abrogate the rotation agreement with the Likud, which is the foundation of the national unity coalition. The subject is to be discussed at the final session of the Labour convention when Peres is expected to insist that the agreement be honoured. Labour Party Secretary-General Uzi Baram said that Moda'i's comment (Continued on Back Page)



Time, gentlemen? Two of the main protagonists in the summer-time conflict, Interior Minister Yitzhak Peretz, left, and Energy Minister Moshe Shahal, leave yesterday's cabinet meeting at which no final decision was taken. (Lorenzo Pennel)

Peretz rebuffed on summer time; Court meets Wednesday

Go-it-alone movement grows

Jerusalem Post Staff
 With an increasing number of public and private bodies threatening to adopt summer time before the High Court of Justice hears an application on the subject on Wednesday, Premier Peres yesterday rebuffed the one authorized to change the clocks but determined not to do so—Interior Minister Yitzhak Peretz. The Shas minister refuses to approve summer time because he reportedly believes it will inconvenience observant Jews and lead to desecration of the Sabbath. At yesterday's cabinet meeting, Peres told Peretz that the cabinet had every right to discuss the issue and to draft recommendations and guidelines for instituting summer time. Peres added that that discussion would take place next Sunday. Attorney-General Yitzhak Zamir also snubbed Peretz when he dismissed the interior minister's claim that the cabinet could not even talk about the issue, because it was *sub judice*. MK Micha Harish (Alignment) and Tel Aviv lawyer Yehuda Roessler

have asked the High Court to order Peretz to show cause why he should not authorize summer time. Zamir said the *sub judice* rule only prevented publication in the media. Ministers Ya'acobi, Shahal, Gur and Rubinstein demanded a debate on the spot and proposed that summer time start next Saturday midnight. (Rubinstein sent his request from abroad.) Minister-without-Portfolio Yosef Shapira (Morasha) pleaded with Peretz not to oppose summer time. He said many of his religiously observant friends had asked him to help get summer time introduced to prevent conflict between secular and Orthodox Israelis. Emerging from the session, Peretz told reporters that the prime minister's decision to discuss the issue next Sunday had "surprised" him.

Peretz also said: "The media are conducting an incitement campaign against me, but I shall not succumb to any pressure." Peretz has said that he would like the matter studied for another two years before the institution of summer time is considered. Protesters organized by the Citizens Rights Movement gathered outside Peretz's home in the Bayit Vegan neighbourhood of Jerusalem yesterday morning with an array of alarm clocks and cuckoo clocks, and urged the minister to "wake up to the demands of the public." Last night on Israel Radio, the prime minister said that he had no intention of violating the status quo agreement on secular and religious matters, but added that the cabinet could and perhaps even should press the Interior Ministry on the introduction of summer time. Meanwhile, several sectors of the economy announced yesterday that they would launch their own summer time schedules. (Continued on Back Page)



West German Defence Minister Manfred Woerner inspects a guard of honour at the Defence Ministry in Tel Aviv yesterday. (Andre Bruttman)

U.S. still wary of blaming Gaddafi for latest terror

Jerusalem Post Staff
 A senior Israeli intelligence officer said yesterday that last week's terror attack on a TWA jetliner was probably carried out with Libya's support and Syria's knowledge. But a State Department official in Washington said the U.S. still lacked hard evidence of Libya's involvement. The Israeli intelligence officer, speaking in Tel Aviv to German reporters travelling with West German Defence Minister Manfred Woerner, said he believed the attack was perpetrated by Abu Nidal's organization. The thinking in the defence establishment is that Libya would not have wanted to be directly involved in such an attack, and therefore preferred to act by proxy. Abu Nidal would have been the likely agent, since he has experience in such attacks, has been closely tied to Libya and has agents in Europe. But he probably required intelligence or logistical support, and one of the

groups in the anti-Arafat wing of the PLO was likely to have provided it. The officer said he did not believe that Syria had initiated terror attacks abroad but said Damascus must have known about that operation. Syria, he argued, could have blocked terror operations overseas, as it has prevented all attacks on Israel from its territory. In general, he noted an increase in the number of Arab terror attacks abroad, especially in Europe. From June 1, 1985 to April 1, 1986 there were 105 such attacks, compared with 42 in the whole of 1984. As part of this trend, attacks on Jewish and Israeli targets abroad also increased markedly in the same period, when there were 38 such attacks, compared with 16 in 1984. In Washington, State Department anti-terror coordinator Robert Oakley said the U.S. suspected Libyan involvement in recent terror incidents. But it had had trouble identifying the perpetrators of the (Continued on Back Page)

Hopes of closer military, political ties with Bonn as defence minister visits

By JOSHUA BRILLIANT and WLADIMIR STRUMINSKI
Jerusalem Post Reporters
 West Germany's Defence Minister Manfred Woerner arrived yesterday for a four-day visit which his hosts hope will lead to closer military and political cooperation, and perhaps arms exports. But, against a background of West German unhappiness with the publicity Israel has given to the military cooperation between the two countries, German officials have stressed that no deals are likely to come out of the trip. A statement by the West German Embassy here said Woerner's visit, the first by an incumbent West German defence minister, was strictly for information. An aide to the minister, meanwhile, told *The Jerusalem Post* not to expect any discussion of joint projects or arms deals. Nevertheless, Defence Minister Yitzhak Rabin expressed hope at the Ben-Gurion Airport welcoming ceremony for Woerner that the talks would "enhance cooperation between our two ministries."

But the main theme at Ben-Gurion was the Holocaust. "Neither you nor we can forget what occurred in the past, a past that weighs heavily on the young generation in Germany," Woerner said. "But we must look toward the future and to peace." Woerner spent the better part of yesterday at Defence Ministry headquarters in Tel Aviv in lengthy briefings on Israel's security situation, the country's technological capabilities and its view on developments in the Arab world. His itinerary is to include visits to the Merkava tank production line, to Rafael, the arms development authority, Israel Aircraft Industries, the Uda Air Force base and a military exercise. The Merkava is of particular interest to Woerner, as the Israeli tank is similar to the West German Leopard, and the Germans are believed to be interested in learning from Israel's battlefield experience with the Merkava. The guiding principle of the visit is the desire to create an atmosphere which will smooth further contacts with lower ranking officials. Israel would like to become a major arms exporter to Germany and this help balance its nearly \$340 million bilateral trade deficit. But the Germans were emphatic yesterday in dashing any hopes for (Continued on Back Page)

Devaluation of franc paves way for 'free economy'

OOTMARSUM, Netherlands (Reuters). — The European Community reached a compromise agreement yesterday on a devaluation of the French franc, thus paving the way for France's new conservative government to implement a package of reforms aimed at liberalizing the economy. Under the change in parities agreed for the eight currencies in the European Monetary System, the franc will be effectively devalued by 5.8 per cent against the key currency in the system, the West German mark. France's new finance minister, Edouard Balladur, had gone to the weekend meetings here seeking an 8 per cent devaluation against the mark, but France's partners protested that this was too much. Conference sources said the deadlock was apparently broken after West German Finance Minister Gerhard Stoltenberg had a two-hour tête-à-tête with his French counterpart, after which France backed down from its original demands. The ministers also agreed to de- (Continued on Back Page)

Pilots likely to back call for ban on Libya, Syria, Iran

By JERRY LEWIS
Jerusalem Post Correspondent
LONDON. — Airline pilots, due to meet in London later this week, are likely to back a call from the American pilots organization calling for a ban on all flights to and from Syria, Libya and Iran. The International Airline Pilots Association (Ialpa) will discuss an emergency resolution on the proposed ban introduced by Captain Tom Ashwood, first vice president of the U.S. Pilots Association. He is said to be optimistic that trades union organizations will support the move. "We will stop flying into those countries and will stop people flying to them too," he told a TV interviewer in New York. "You have to take an offensive role and that's what my organization is doing right now," he added. "If the governments are unable to do the task of isolating these people from the rest of the world, we're going to do it for them." Terry Middleton, Executive Secretary of Ialpa, who was initially cool about the proposed ban, has now conceded that there is a "good chance" the proposed boycott will succeed. "Pilots are unhappy with the present security arrangements. It is the responsibility of governments to provide safe air passage and safe air transport systems," he said.

Attempt to disrupt party's national convention feared

Labour charges 'dirty tricks' plot by Likud

By ROY ISACOWITZ
Post Political Reporter
TEL AVIV. — Labour Party officials yesterday accused the Likud of plotting to disrupt Labour's national convention, which is due to open in Jerusalem tomorrow night and continue for two days. MK David Libai, chairman of the convention preparatory committee, said that the Likud was planning to bring the bill forbidding contact with terrorist organizations to a vote in the Knesset plenum during the convention. That, he said, was in contravention of a long-standing tradition that contentious issues not be raised in the Knesset on convention days. He charged Mapam and the Citizens Rights Movement with similarly flouting tradition by demanding votes of no-confidence in the government this week. The Knesset's winter session is

due to end next Thursday. If the Likud and the opposition parties do not withdraw their planned motions, Labour MKs will have to desert the convention to be present for the Knesset votes. Libai said that Labour would appeal to the other parties to keep to tradition and withdraw the motions. Labour officials have also accused the Likud of planning demonstrations and worker unrest to disrupt the convention. Ra'anan Cohen, the convention's organizational chief, said that he had learned that the Likud was behind plans for demonstrations during the convention by workers facing dismissal and by development town residents. Cohen called on the Likud to display the same "discretion" as he said, Labour had displayed during the recent Herut convention. Labour, he added, was well equipped to deal with any disruption.

One highlight of the convention will be the return to Labour's ranks of former MK and party secretary-general Arye Lova Eliav, who deserted the party in the 1970s for left-wing politics. Secretary-General Uzi Baram said that he had asked Eliav to return to the party and that Eliav had agreed to do so without pre-conditions. The convention will be attended by representatives of some two dozen countries and international organizations, including a delegation from Egypt's ruling National Democratic Party led by Minister of State for Foreign Affairs Butros Ghali. Baram said that he intended proposing to Ghali that the two parties exchange further visits as a means of improving relations between the two countries. The opening of the congress will be addressed by Finland's Pentti Vaananen, General-Secretary of the

Socialist International. Other foreign guests include prospective presidential candidates Manuel Penalver of Venezuela and Rodrigo Borja Cevallos of Ecuador, and former French prime minister Pierre Mauroy. The convention will be split into two sessions, with most of the ideological and political debates scheduled for this week. The party's new central committee will be elected during the second session on May 15. It is possible that the party plank on religion and the state, which has aroused a good deal of controversy, will come up for discussion at the second session only. Controversial issues scheduled for debate this week include the rotation issue, settlement and taxation policies and the party's approach to Hevrat Ha'Ovdim and the so-called "Histadrut economy."

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AMSTERDAM	10-15	12-17	14-19	16-21	18-23	20-25	22-27	24-29
BRUSSELS	10-15	12-17	14-19	16-21	18-23	20-25	22-27	24-29
COLOGNE	10-15	12-17	14-19	16-21	18-23	20-25	22-27	24-29
FRANKFURT	10-15	12-17	14-19	16-21	18-23	20-25	22-27	24-29
GENEVA	10-15	12-17	14-19	16-21	18-23	20-25	22-27	24-29
LONDON	10-15	12-17	14-19	16-21	18-23	20-25	22-27	24-29
MADRID	10-15	12-17	14-19	16-21	18-23	20-25	22-27	24-29
MONTREAL	10-15	12-17	14-19	16-21	18-23	20-25	22-27	24-29
NEW YORK	10-15	12-17	14-19	16-21	18-23	20-25	22-27	24-29
PARIS	10-15	12-17	14-19	16-21	18-23	20-25	22-27	24-29
ROME	10-15	12-17	14-19	16-21	18-23	20-25	22-27	24-29
ST. LOUIS	10-15	12-17	14-19	16-21	18-23	20-25	22-27	24-29
TOKYO	10-15	12-17	14-19	16-21	18-23	20-25	22-27	24-29
TORONTO	10-15	12-17	14-19	16-21	18-23	20-25	22-27	24-29
ZURICH	10-15	12-17	14-19	16-21	18-23	20-25	22-27	24-29

*For the latest weather conditions contact Swissair.

Swissair logo and contact information.

THE WEATHER

	Yesterday's	Today's	Humidity	Min-Max	Wind
Jerusalem	20	21	60%	13-26	10-15
Beersheba	22	23	60%	16-28	10-15
Nahariya	22	23	60%	16-28	10-15
Safed	22	23	60%	16-28	10-15
Haifa	22	23	60%	16-28	10-15
Tiberias	22	23	60%	16-28	10-15
Sharm El Sheik	22	23	60%	16-28	10-15
Sharm El Sheik	22	23	60%	16-28	10-15
Sharm El Sheik	22	23	60%	16-28	10-15
Sharm El Sheik	22	23	60%	16-28	10-15

SOCIAL & PERSONAL

Mr. and Mrs. Joseph Jagan gave a bar mitzvah party for their grandson Daniel Jagan at their home on Saturday night, attended by Mrs. Anna Herzog, wife of the President of the State of Israel, Deputy Premier and Foreign Minister and Mrs. Yitzhak Shamir, Finance Minister and Mrs. Yitzhak Rabin, Minister and Mrs. Weizman, the French Ambassador and Mrs. J.P. Dupont, Mrs. Ora Namer, Tel Aviv Mayor and Mrs. Lahat, WZO and Jewish Agency Chairmen and Mrs. A.L. Dubin, Prof. and Mrs. Michael Sela of the Weizman Institute, Col. (res.) Yossi Gurev, Vice-Chairman of Tel Aviv University's Board of Governors, Dr. Yehoshua Rosenzweig, Tel Aviv Museum Director and Mrs. Marc Scheepers, members of the family from the USA, Brazil, London and Geneva, bankers, journalists, leading journalists, members of the World War Executive and public figures.

Suspect freed in killing of German tourist

BEERSHEBA (Itim). — A man who had been held by police as a suspect in the murder last month of German tourist Miriam Stucker was released yesterday. Another suspect is still in custody.

Saleem A'ta'at, 24, had been held for 15 days for questioning. A police representative told the magistrates' court here yesterday that no evidence had been found to justify keeping him in custody.

Swastikas painted on Jewish Agency in TA

By YORAM GAZIT
TEL AVIV. — For the second time in two weeks, swastikas were painted on the exterior of the Jewish Agency building on Kaplan Street. Swastikas were also daubed on 12 homes on Sharet Street.

The black swastikas were found yesterday morning by Jewish Agency workers on the back of the building, facing Kaplan and Dubnow Streets. Those, and the swastikas in Sharet Street were apparently painted on Saturday night.

Car of Israel supporter burned in Druze town

MAS'ADA (Itim). — A car belonging to an Israeli sympathizer in this Golan Heights Druze village was set afire yesterday with security officials linking it to Druze protests against the recent Israeli crackdown.

The authorities have been taking a harder line following Druze disturbances during Prime Minister Peres's visit to the Golan last month.

Police and security officials are now drawing up plans for keeping order during Druze liberation day, April 17.

Akbara villagers claim IDF blew up well

By MENAHEM HOROWITZ
Jerusalem Post Reporter
SAFAD. — Residents of the nearby Arab village of Akbara yesterday claimed that IDF soldiers blew up a large well belonging to the village over the weekend. The well is inside an IDF firing area and was used to water the village's flocks. Military sources said that the well might have been damaged during exercises with live ammunition.

Rubinstein finalists to be announced tomorrow

By LEA LEVAVI
TEL AVIV. — Two Americans, an Italian, a New Zealander and a Taiwanese performed yesterday in the continuation of the first stage of the Arthur Rubinstein Piano Competition.

The audience yesterday was smaller than on Friday, but enthusiasm remained high. Tension is expected to mount tomorrow, when candidates who are to go on to the second stage are announced.

HOME AND FOREIGN NEWS

Sharon scorns Peres proposal for Mideast 'Marshall Plan'

Jerusalem Post Staff
Industry and Trade Minister Ariel Sharon sharply attacked Prime Minister Peres at yesterday's cabinet session over Peres's proposal for a Middle East "Marshall Plan."

Sharon said the Arab states would increase their strength if Peres succeeded in convincing the major industrial powers to provide massive economic aid to the region, as the U.S. had granted Europe under the original Marshall Plan after World War II.

Sharon asked Peres scornfully: "Just for the sake of some public relations gimmick, are you prepared to weaken the State of Israel? What possible benefit do you see in building up the power of the Arabs? What reason can you have for suggesting massive aid to Saudi Arabia and Syria?"

Peres replied that the proposal was to give economic aid to Jordan and Egypt only, and that the U.S. State Department had already assigned a senior official to study the proposal. The prime minister revealed that the plan had originally been drawn up by former Bank of Israel governor Arnon Gafni, along with former Egyptian prime minister Mustafa Khalil.

Sharon also criticized proposals recently announced by Shmuel Goren, co-ordinator of operations in the territories, to lure industrial investment to the West Bank. When had official approval been granted for the establishment of an Arab Manufacturers Association in the territories, Sharon asked Peres.

To this, Peres suggested that Sharon put his question at a meeting of the inner cabinet, where he would supply an explanation.

Peres said that during his talks in Washington he had proposed that the Reagan administration spend up to \$500m. annually on buying goods and services in Israel for the U.S. armed forces. The purchases would offset Israel payments to Washington for construction of the Negev air bases to replace those given up when Israel withdrew from Sinai.

CABINET NEWS

Disagreement over 'refugee' Soviet Jews

Jerusalem Post Staff
The cabinet yesterday failed to agree on whether to press the U.S. to revoke a law granting refugee status to Soviet Jews who opt to go to the U.S. rather than Israel.

At a discussion marking a month dedicated to Soviet Jewry, Absorption Minister Yaacov Tsur and Arye Duzin, chairman of the World Zionist Organization, said Israel should persuade the Reagan administration to revoke the granting of refugee status.

But Defence Minister Yitzhak Rabin, a former ambassador to the U.S., said such a campaign would be a mistake. He pointed out that Democratic Senator Edward Kennedy had been the main force behind the legislation, and Israel would find it difficult to oppose it.

But the cabinet did agree to call on the Soviet Union to revamp its policy towards the Jewish community by freeing all prisoners of Zion, ending harassment of aliyah activists and Hebrew language teachers, and permitting free emigration.

Burg, Shapira see 'no reason' to oppose anti-racism bill

By ASHER WALLFISH
Jerusalem Post Reporter and Staff
Cracks appeared in Orthodox opposition to the anti-racism bill at yesterday's cabinet meeting as religious Zionist ministers Yosef Burg and Yosef Shapira said they saw no reason to block the bill.

But Yitzhak Peretz of the ultra-Orthodox Shas party continued to argue against the bill, which would outlaw incitement to racism.

Some of the religious factions in the Knesset have held that the bill could be misinterpreted as labelling Judaism "racist" and have presented a counter-proposal outlawing attacks on minorities.

The two Ministers responsible for liaison between the cabinet and the coalition in the Knesset, Justice Minister Moshe Nissim and Energy Minister Moshe Shahal, have not yet given the religious factions a final answer on their latest proposal.

Prime Minister Peres said in the cabinet session that he was giving Orthodox opponents of the anti-racism bill and other coalition factions one more week to reach agreement on the bill.

Replying to proposals by Absorption Minister Ya'acov Tsur and Economics Minister Gad Ya'acobi to permit a free vote on the racism proposal, Peres said that if the coalition could not settle its differences with the Orthodox, he saw no reason why the legislation should not be treated as a matter of conscience at the parliamentary level.

Tsur and Ya'acobi said the free vote should apply to two bills which the coalition has generally linked — the bill to outlaw racist incitement, and the bill to outlaw meetings between Israelis and PLO functionaries.

Peres said he would make up his mind about the proposed free vote before the vote today on a no-confidence motion tabled by the Citizens Rights Movement over the delay in completing the anti-racism bill.

Minister-without-Portfolio Shapira of Morasha's Matzav wing surprised his cabinet colleagues when he criticized Orthodox opposition to the bill.

"There's an atmosphere of incitement against the religious community and it's hurting us. So why should we stick to our position against the bill," Shapira said.

Religious Affairs Minister Yosef Burg (National Religious Party) also dissociated himself from the bill's opponents. "Anyone who argues, as the religious lobby has, that this bill will hurt Judaism has an inferiority complex."

Burg's NRP colleague Avner Shai had been outspoken against the bill and helped draft the alternative proposal to outlaw attacks on minorities.

Despite the remarks by Burg and Shapira, Peretz argued that the anti-racism bill could be "misused by courts and politicians" and insisted: "There's no need to hurry."

Nursing insurance bill postponed by cabinet

By TSIPPI KUPER
The cabinet decided yesterday to postpone today's scheduled final readings of the nursing-care insurance bill because of changes that the Labour and Social Affairs Committee has made.

Finance Minister Moda'i said that the proposed changes made the bill unfeasible financially.

The main committee change was a stipulation that eligibility for nursing care would be determined on the basis of the applicant's income alone and not on family members' income, as the original proposal had read.

The main committee change was a stipulation that eligibility for nursing care would be determined on the basis of the applicant's income alone and not on family members' income, as the original proposal had read.

Yeroham strike ends after cabinet okays aid measures

By TSIPPI KUPER
Yeroham leaders yesterday called off the development town's eight-day general strike after the cabinet had voted on a number of measures to aid the town. The town was cautiously optimistic after Prime Minister Peres had outlined to them the cabinet's decisions.

The cabinet decided to transfer the Negev Phosphates plant to Yeroham, in a move which it hopes will attract new settlers to the Negev town and create new jobs.

It also decided to pave a 4.5 kilometre section of the Beersheba-Yeroham road, now little more than a dirt-track. That will provide a direct route between the two towns and shorten the journey by some 10 kms.

A few dozen Yeroham residents demonstrated quietly opposite the Prime Minister's Office during yesterday's cabinet meeting, singing and waving posters, protesting against the town's high unemployment and its other social and economic problems.

Yeroham — a home for those who have no choice

By LIOA MORIEL
Jerusalem Post Reporter
YEROHAM. — The southern entrance to the country's oldest development town is a disappointing surprise after the majesty of the Great Ramon Crater: for this is the site of the town dump.

But the open garbage heaps do not end where the town begins, and seem to point to the neglect within.

The glass factory is surrounded by seemingly endless expanses of broken glass; and the cement factory creates dust that cannot cover the problems that have kept Yeroham in the news year after year.

Beyond these factories, there is a new neighbourhood of high-standard, two-storey apartment houses to lure new settlers. Most are empty — not only of people, but of fixtures which were removed by vandals long ago. Fancy public buildings in the town centre only highlight the dilapidated apartments beyond. Set up as a temporary housing settlement (ma'abara) in 1951, Yeroham has never really managed to change; it is still largely settled by those who have no choice, who cannot move.

Some 35,000 people have come and gone, but the population has been a static 6,000 for several years. The Interior Ministry has pumped more money per capita into this town than into any other. The Canadian Jewish community has been generous in supporting the local Project Renewal schemes.

A decade ago, a band of idealistic immigrants came here to help build a new future with the townspeople. They are still there, still idealistic, their vision undimmed by facts. And the facts are that the town seems to be beyond salvation.

Yeroham's leaders are sceptical about yesterday's government decision to move the Negev Phosphates Company offices here, instead of to Beersheba, and to complete paving the old "oil road," thus linking the town directly to Beersheba.

Negev Phosphates has already invested a reported \$3 million in an office suite in Beersheba which has been empty for nearly a year. The company's projected move to Yeroham is supposed to provide jobs for the locals. But it may never take place, for although the company's mines are nearby, its offices are in Tel Aviv and some footdragging is likely before any move is made.

Re-paving the "oil road" is also likely to prove ineffectual — especially in the short run. Once the four final kilometres are asphalted, Yeroham's residents will find it easier to get to the big city for shopping and shows, but that won't give them jobs because Beersheba, too, has its problems.

"The government made a mistake in settling people with no natural advantages of education or re-

sources in the middle of the desert," a veteran local government employee told *The Jerusalem Post*. "The population is uniformly disadvantaged and lacks the means to change its own fate," he said.

His opinion is shared by many. But no one is prepared to be quoted by name, because it is unpopular to voice a negative note in these days of national solidarity with the people of Yeroham.

"The problems of Yeroham are not unique, but its inability to solve them makes it imperative to come up with a workable solution," added the government employee. "The most logical solution is to turn the town over to the army. It doesn't make sense to have several small towns in one area, each isolated and declining, when they could join forces and maybe succeed."

With deepest sorrow, we announce the passing, after a long and heroically borne illness, of our beloved wife, daughter, mother, grandmother and sister

Harabanit
LEAH HELENE WEISS ז"ל
on Motze'ei Shabbat, 26 Adar II, 5746.
The funeral took place yesterday, Sunday.

Husband, Rabbi Samson R. Weiss and the bereaved families:
Weiss: Daseen, Khevit, Zelikovitz
Carlsbach
Shiva at 13 Even Ha'ezel, Jerusalem.

THE GOVERNMENT PRESS OFFICE
mourns the death of
its founder and first director
MOSHE (Moish) PEARLMAN
and extends its condolences to the family.

On the thirtieth day after the passing of my sister
YEHUDITH BILUTH ז"ל
there will be a memorial service and tombstone unveiling at the Holon Municipal Cemetery on Tuesday, 28 Adar B — April 8, 1986 at 12 noon.
We will meet at the old entrance to the cemetery.
I wish to thank all those who offered their condolences.

The Broadcasting Authority
its institutions, administration and staff
mourn the passing of
MOSHE (Moish) PEARLMAN ז"ל
and convey their condolences to the family.
Moshe Pearlman served as director of Kol Yisrael, and laid the professional foundations for the broadcasting service. He was also one of the founders of the civil and military information services of the State.

Shaare Zedek Medical Center, Jerusalem
pays tribute to the memory of
LOUIS COHEN ז"ל
of Dublin, Ireland
who loved his fellow man and donated generously to many worthy causes in Ireland and Israel.
Founder and Builder of Shaare Zedek's Dept. of Chronic Care.
Buried in Jerusalem, April 6, 1986 — כ"ב באדר ב' תשמ"ו.
הנצחה.

The Union of Orthodox Jewish Congregations of America
extends sincere condolences to its former executive director
Rabbi Dr. Samson R. Weiss
and the entire family
on the passing of his wife
Rabbanit LEAH WEISS ז"ל
Shimon Kwestel, President
Rabbi Pinchas Stolper, Executive Vice-President
Rabbi Charles Weinberg, Israel Representative

In deep sorrow we announce the passing in Los Angeles of
FLORENCE KRIEGER ז"ל
our mother, grandmother and great-grandmother.
Chava and Eli Klein, Kerem Be'Yavneh
Piotkin family, Los Angeles
Wendrowsky family, Albany
Shiva at Kerem Be'Yavneh.

To Peter Gerstenhaber,
On the thirtieth day after the passing of your
Father
please accept our condolences.
CMS — Management and Staff

The Orthodox Union/NCSY Israel Center
deeply mourns the passing of
Rabbanit LEAH WEISS ז"ל
and extends its sincerest condolences to
Rabbi Dr. Samson R. Weiss
and the entire family.
George B. Felt, Chairman
Julius L. Samson, Israel Chairman
The Board and Staff of the Israel Centre
Rabbi Zev Lef, Chairman, NCSY Olim
Shai Solomon, Director

הלאה מן האסון

According to Smith poll:

Most people want rotation implemented

By HANOCHE and RAFA SMITH
Special to The Jerusalem Post

A majority, 54 per cent, of Israeli Jews want the rotation agreement between Premier Peres and Yitzhak Shamir to be implemented in October, according to a poll taken last month. And this despite Labour's huge lead over the Likud in Smith Research Centre polls, and the far higher popularity of key Labour ministers Peres and Yitzhak Rabin. Last August, 47 per cent of those polled favoured implementing the agreement.

"According to the coalition agreement, in October Yitzhak Shamir replaces Shimon Peres as prime minister. What is your opinion?"

	Aug. 1985	March 1986
Implement the rotation as agreed	47	54
Keep national unity government, but keep Peres as prime minister	24	19
Narrow coalition under Shamir	5	5
Narrow coalition under Peres	12	13
Call new elections	5	6
Other, no opinion		

In large measure, the poll reflects satisfaction with the national unity government, especially with its economic policy and the desire to see the coalition continue along the agreed lines.

Backing out of the rotation agreement is seen mainly as a matter of personality clashes, with only very few citing basic policy disagreements. Hence, it is small wonder that most favour adhering to rotation.

"On what basis would you justify breaking up the national unity government?"

No basis exists	29
Government cannot operate because of personal and party disputes	27
Preventing the Shamir rotation	14
Basic disagreements on peace negotiations with Egypt or Jordan	8
Basic disagreements on the economic programme	7
Further decline in the economy	5
Other reasons	3
No opinion	7

Personality and rotation issues remain very high on the public agenda with the internal Herut dispute continuing and Labour due to hold its convention this week. The March Smith poll examined which major candidates, if any, have strong public backing.

"Whom do you identify with in your party?"

Likud Voters	%	Labour Voters	%
No group or person	10	No group or person	11
Generally identify with party	28	Generally identify with party	34
No opinion	4	No opinion	4
Shamir group	20	Peres group	37
Sharon group	20	Rabin group	8
Levy group	13	Navon group	4
Moda'i group	5	Eban-doves	2

A high 49 per cent among those who chose Labour, and 42 per cent among Likud supporters, despite the intense inner struggle raging there, say they identify generally with the party, or refuse to take sides. The cult of personality does not seem to dominate in either party.

But of those willing to identify with personalities and camps in Labour, nearly three-quarters clearly identify with the Peres group. Among the 42 per cent who preferred Labour, Peres now has no challenger.

But among the 23 per cent who said they would vote Likud, there was no dominant figure. Among those who expressed a preference, Shamir did not have a majority, his 20 per cent being matched by those who support Sharon. Levy ranked third with 13 per cent and Moda'i, a Liberal and not directly involved in the Herut power struggle, received 5 per cent of the Likud support.

Among the Likud public, the combined Sharon-Levy strength easily exceeds that of the Shamir faction. But none of the three, on his own, has any clear plurality, which would seem to indicate that the leadership problem in Herut and the Likud admits of no easy solution.

When you're getting away from it all at the Tel Aviv Sheraton, You can still keep in touch with The Jerusalem Post.



The Israel Academic Committee on the Middle East
In cooperation with
The Public Council for Jewish Education and the Soviet Jewish Education and Information Centre
Announce a discussion evening with
YA'ACOV (Yasha) GORODETSKY
Mathematician, recently arrived. Former leading activist in Leningrad for the fight to immigrate to Israel on The Struggle For Aliya to Israel
and **MOSHE FANTLIAT**
Educator and former 'underground' Bible teacher from Moscow.
Director of course in Judaism at 'Yeshivat Shivat Arzi' for Soviet Jews on Struggling For the Right to Study the Jewish Heritage
Wednesday, April 9, 8 p.m. at Beit Hachochim, Rehovot University, Givat Ram Campus
Registration: NIS 4
Kindly inform the IAC office of your participation. 02-528939 or 536406
0201-07-04

Ecumenical Institute for Theological Research
Tantur Public Lecture in English
Thursday, April 10, 1986
By Professor David Hartman
of the Shalom Hartman Institute:

"Contemporary Reflections on the Nature of the Covenant"

In the Auditorium of the Ecumenical Institute at Tantur, commencing at 4.00 p.m.
Tea will be served after the lecture at 5.30 p.m.
Ample car parking space at Tantur. Buses 22 and 30 stop outside the main gate.
Located at the junction of the Hebron Road with the dual carriageway to Gilo.

'What does his Zionism mean without religion?' ... 'Give him a break'

Impressions of Anatoly Shcharansky

By MOSHE KOHN
Jerusalem Post Reporter

"I wasn't as inspired as I thought I would be," said the young woman after Saturday night's meeting with Anatoly (Natan) Shcharansky at Binyanei Ha'uma. "What does his Zionism, his Jewish identification, mean without the religious element? In everything he said, beautiful as it was, the word 'God' never once passed his lips!"

"Ye-es," her skullcapped husband agreed, somewhat hesitantly. "But I don't know. I couldn't keep the tears from my eyes when we were singing *Hatikva* at the end. Not too many years ago, in the States, when I was a student participating in those demonstrations, Shcharansky was just a name and a picture on a poster. I never dreamt that one day I'd be singing *Hatikva* together with him here in Jerusalem."

"Give him a break!" a third member of the group, also skullcapped, said to the wife. "He's not Essas or Mendelevich or even Gorodetzky; he's what he is: Shcharansky. Even without his sprinkling of 'B'ezrat Hashem' and 'Baruch Hashem' (With the Lord's Help; Bless the Lord) throughout his talk, didn't you sense the man's tremendous spirituality? And his powerful sense of Jewish peoplehood and his link to the land; the loving way he kept saying 'our country' and 'our government' when speaking of Israel? Since you speak of God, maybe Shcharansky's divine mission is to reach people who will listen to him sooner than they listen to Essas or Mendelevich."

Rabbi Eliahu Essas, who arrived in Israel from the Soviet Union at the end of January, was a leader in the religious revival movement there. Mendelevich, here for five years, after serving 10

years in prison and labour camp for his part in the Leningrad airplane hijack plot, is studying for the rabbinate. Ya'acov Gorodetzky, who was a Zionist and Jewish culture activist in the Soviet Union, arrived here early in February, and is moving gradually in a religious direction.

Saturday night was Shcharansky's night with students, who were the overwhelming majority of the audience of over 2,000. When he came on stage they gave him a three-minute standing ovation and would have continued if he and moderator David Makovsky, chairman of the World Union of Jewish Students, which organized the meeting, hadn't signalled gently to stop.

"You students didn't let the world forget about us, so I'm ready to answer all your questions," Shcharansky said to another burst of applause.

He had come from an assimilationist background, he said. "But with time I felt myself more and more uneasy as not being a free man."

The sense of freedom came when he became a Zionist activist in 1973, after thinking, "Why shouldn't I also live as a free man, knowing that I have my people's language, Eretz Yisrael - the symbol which unites us all." After that, "the moral level of my life became much higher."

"Of course, in a sense, I was much more free (as a mathematics teacher) at the institute in Moscow. But there you always find yourself worrying about what to say and to whom to say it. Scientists in Moscow are characterized by the following: they think one thing, say another thing and write a third. There's a joke: A man walks along the street in Moscow making a loud buzzing and humming sound. He's asked: What are you doing? He replies: I'm jamming my inner Voice of America."

Well, once I decided, I didn't have to jam my inner Voice of America any more."

How, one questioner wanted to know, did Shcharansky keep his sanity and optimism during those nine years in prison and labour camp, of which hundreds of days were spent in solitary confinement?

"The main idea of Soviet imprisonment," Shcharansky responded, "is to change the man by completely isolating him from the outer world, so that he feels totally alone and gradually changes his perception of things. So you have to keep before you your system of values and priorities, and keep up the spiritual contact with the people close to you. Optimism in prison is based on the knowledge that you are not forgotten, the knowledge that your land is waiting for you, that many people are struggling for your release. From my experience, I can say that the most optimistic part of the political prisoners in the Soviet Union are the Prisoners of Zion."

Many times during the 75-minute session he paid tribute to his wife, "my Avital," who was not present.

Asked to comment on Israeli political issues, Shcharansky begged off, saying he had not been here long enough to know the facts.

When he and Avital return from their scheduled U.S. visit, he said, "I hope to start living a normal life - at least normal to the extent that life can be called normal - and then I'll be glad to discuss those issues. Then, I hope that I will be forgotten, though I do hope that my experience will not be forgotten, because there are others in the Soviet Union who need this attention."

Blau and disciples remanded in bus-shelter vandalizing case

By BARBARA AMOUYAL
For The Jerusalem Post

Rabbi Uri Blau, of the extreme ultra-Orthodox Neturei Karta group, and two of his disciples yesterday remanded into custody for eight days by the Jerusalem Magistrates Court. The three are suspected of vandalizing 11 bus shelters in the capital.

Blau, 60, the son of Neturei Karta leader Amram Blau, refused to answer Judge Ruth Or's repeated questions.

Blau was arrested Friday morning as he was allegedly daubing grey paint on a Sderot Herzl bus shelter. Pinhas Keller and Haim Godeib, 33-year-old students at the Toldot Aharon yeshiva in Mea She'arim, were arrested a short time later, after they allegedly painted a shelter in the Rehavia neighbourhood.

Keller and Godeib told the court that they had been ordered by the ultra-Orthodox Eda Haredit to destroy "obscene photographs" appearing in bus shelter advertisements.

"According to the Tora, we're forbidden to be judged in a court of idol worshippers," Godeib told the judge. He added, "Only those that received God's word at Mt. Sinai may rightfully rule on our actions."

Police representatives told the court that all three suspects had been arrested in the past for public disturbances and, if released on bail, would repeat their illegal acts.

Or advised the suspects "not to frequent those streets where advertisements you find distasteful are displayed."

Refusing to release the three on bail, the judge said: "These men do not recognize the authority of this court and perpetrate illegal acts because they follow the laws of the Eda Haredit. If this court were to release them, it would set a dangerous precedent that might encourage others to break Israeli law."

A fourth suspect, a taxi-driver who had allegedly driven Godeib and Keller from shelter to shelter, was released on NIS 1,000 bail.



A suspected bus shelter vandal (right) and the taxi driver suspected of driving him from shelter to shelter walk to the Jerusalem Magistrates Court yesterday. (Rahamim Israeli)

Israel joins world today in drive for 'Healthy Living'

By JUDY SIEGEL

The Health Ministry plans to introduce a daily exercise break for all of its workers as a result of increasing awareness of the need for promoting good health. This to coincide with World Health Day which falls today. It hopes all other ministries will eventually copy the idea.

It will be only the second time that Israel is participating in the annual event, which is organized by the

World Health Organization. The ministry official who pushed for Israel's participation was Pinna Herzog, head of the international relations department. This year's theme is "Healthy Living - Everyone a Winner."

Part of today's Knesset session will be devoted to World Health Day. Schools are being encouraged to offer special lessons on the promotion of good health; Kupat Holim

Clalit clinics will hold lectures by doctors on good nutrition and other aspects of preventive medicine.

The Health Ministry has produced a number of booklets and leaflets on the dangers of smoking and the importance of a good diet.

Emunah, the religious women's organization, has issued a booklet with quotations from Maimonides on how to maintain good health. The Manufacturers' Association is

cooperating with the Labour and Social Affairs Ministry on increasing precautions to prevent work accidents. A poster showing a father and daughter bicycling in the country will appear with the title "The Main Thing is Health."

On Wednesday, the Health Ministry and the Government Information Centre held a day-long seminar on health awareness at the Van Leer Institute in Jerusalem.

School safeguards proposed against 'religious intrusions'

By JOEL REBIBO
For The Jerusalem Post

Orthodox guests should not be admitted to state secular schools without the approval of the principal and the written consent of the pupils' parents. All outside lecturers should be accompanied by the principal at all times.

These were among the recommendations made by the Knesset Education Committee last week on the issue of *hazara b'yahuda*, the adoption of Orthodox Judaism by pupils from secular families.

"The law gives parents the right to send their children to a school where they will acquire a broad secular education," said the committee. "The Education Ministry has to see to it that the parents' rights are protected."

The committee held four hearings on the subject and had before it parents whose children had adopted Orthodoxy against their wishes.

Orthodox schools are closed to guests and subjects that conflict with their ideology, the committee noted, and, while secular schools sometimes have Orthodox teachers, Orthodox schools do not employ secular teachers. But Education Ministry Director-General Eliezer Shmueli reminded the committee, that there is the problem of teachers who have become Orthodox and who, by their example, encourage pupils to follow suit.

Although the committee said the regular staff in secular schools should teach classes in Jewish culture, it noted "with dismay" that many secular teachers do not have sufficient knowledge to do so. The committee recommended that the Education Ministry offer teachers seminars on Judaism.

Daniel Tropper, head of Geshet, an organization dedicated to bridging the gap between the Orthodox and secular populations, called the recommendations a "fair and balanced" response to real problems.

"They're trying to prevent hard core Orthodox missionary activity," Tropper said yesterday. "But they definitely want someone to come in and present Judaism. Secular teachers lack the knowledge and a few seminars won't be enough to prepare them."

Shaike Tadmor, principal of Haifa's prestigious Reali School, insists that his teachers are capable of teaching Judaism, but he plans to continue sending his pupils to visit other schools - including Habad institutions - as a way of exposing them to different religious approaches.

PORT CALL. - Two U.S. Sixth Fleet ships, the guided missile destroyer USS Farragut and the salvage and rescue ship, USS Edenton, arrived in Haifa yesterday with nearly 400 crew aboard. They will stay until Wednesday.

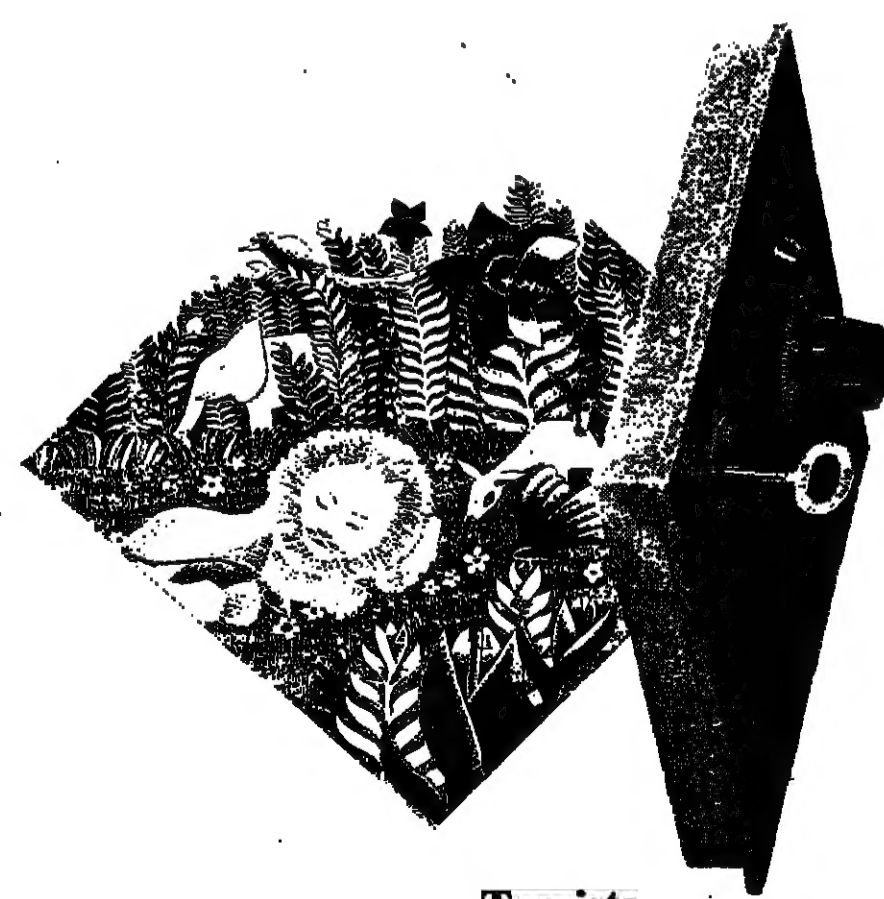
THE HEBREW UNIVERSITY OF JERUSALEM

The Leonard Davis Institute for International Affairs and the World Zionist Organization - The Information Department cordially invite the public to a session in English on
Britain, the U.S., and the Establishment of the State
in conjunction with a conference on
"The Struggle for the State of Israel" (April 14-16, 1986)

Speaker:
Professor Roger Louis, University of Texas
"The British Military Evacuation From Palestine"

Tuesday, April 15 at 4:30 p.m.
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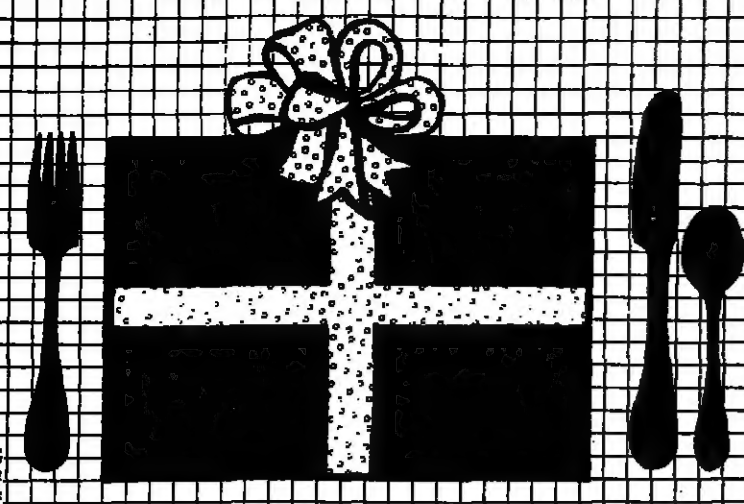
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Shopping & Eating In Jerusalem



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that, in Jerusalem, you can find original etchings by REMBRANDT, RENAISSANCE and TOULOUSE LAUTREC? That MANE KATZ and KIKONE are exhibited together with YOSSEL BERGNER and ADLEN? That there are oils by ROTHSTEIN of the Jewish shtetl and water colours by HANDLER and SCHLOSS. This extensive collection is at a very special gallery in the centre of Jerusalem - ALEC'S FINE ART at the King Solomon Hotel, 32 King David St. We're looking forward to showing you early AGAM prints and very recent VASSARELY serigraphs. And when your eyes tire of looking at paintings (as if they ever will) let them relax enjoying the munificence of our Persian carpet display - beauties from ISFAHAN, TABRIZ, HEREKE and KASHAN, tapestries by NAHUM GUTMAN, and sculptures by KAFRI, ORBACH and STEIN. Arts are our love. Come share it with us. Come visit Jerusalem's premier gallery, ALEC'S FINE ART at the KING SOLOMON HOTEL. Tel. 02-241433, ext. 2713. Open daily 9 a.m.-11 p.m. Saturday 7-11 p.m.

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SUMMERTIME but the clocks aren't moving!

Time stands still for no man - except in Israel. Pessah is coming and now is the time, if you haven't already done so, to make your holiday flight reservations. There are still some places left but please hurry. Inside America we have VISA prices starting at a ridiculously low price of only \$40 a flight! NO ONE CAN BETTER THAT PRICE! Bargain of the month - fly to South Africa return and pay in seven unlinked payments - all for \$977. ZION TOURS JERUSALEM, 23 HILL ST. (next to Shammat St. Post Office). Tel. 02-233267/8. Open every day from 8.30 a.m. to 6.30 p.m. Wednesday and Friday till 1 p.m.

Mark Feldman
Your travel professional

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FOREIGN NEWS

Libya, Arab militants suspects in Berlin blast

BERLIN (AP) - Libya and anti-western Arab militants are suspected of involvement in the bombing of a Berlin nightclub that killed two people and injured 191, newspaper reports and U.S. diplomats said yesterday.

"The Libyan angle is being explored very vigorously. Gaddafi is a very active suspect," said a U.S. diplomatic source. He was referring to Libyan strongman Muammar Gaddafi, who threatened assaults on American interests worldwide after the U.S.-Libyan naval clash in the Mediterranean two weeks ago.

The newspaper *Welt am Sonntag* also cited unidentified West German security sources as saying Saturday's discotheque attack seemed linked to Gaddafi.

The discotheque was popular with Berlin's American military community. A 21-year-old American soldier and a 28-year-old Turkish

woman were killed in the explosion at the La Belle nightclub. Sixty-three of the 191 injured were Americans.

The *Berliner Morgenpost* reported that investigators are focusing on anti-western Arab militants in West Berlin.

The *Morgenpost* quoted West Berlin security police as saying intelligence reports indicated "fanatical Arabs operating independently of one another" had slipped into the city's west sector recently from Communist East Berlin.

In Santa Barbara, California, where President Reagan is vacationing, a U.S. official said the Berlin bombing and last week's explosion aboard a TWA airliner approaching Athens were part of a Libyan-backed plan of indiscriminate violence against Americans. But the official said of the Berlin attack that "we are not yet ready to draw specific conclusions about who did this or whether or not it points to Libya."

South African press quotes Mrs. Mandela despite ban

JOHANNESBURG (AP) - Two major South African newspapers yesterday quoted anti-apartheid leader Winnie Mandela for the first time in 11 years, saying they believed government restrictions on her were no longer valid.

The *Sunday Star* of Johannesburg and the *Sunday Tribune* of Durban, independent English-language papers, quoted remarks Mandela made last Wednesday when she returned to her home in the black township of Soweto outside Johannesburg.

The *Star* also published on its front page an interview one of its reporters conducted with Mandela on Saturday. She was quoted as calling for "immediate and total" world sanctions against South Africa.

Winnie Mandela, wife of jailed black nationalist leader Nelson Man-

dinga, has been under government banning orders for most of the past 23 years. The orders restrict her movements, bar her from political activity, and prohibit the South African media from quoting her.

Last Wednesday she returned to her home in Soweto, after her lawyer said the government had in effect lifted the restrictions by indicating it would not oppose her appeal of the banning order.

In unrest reports, police said yesterday, six more blacks had been killed, including three men who died when "mobs of arsonists" set fire to a community development office, a beer hall and a shopping centre Saturday night in Kenema, a township in the western part of Transvaal province.

Belfast police raid HQ of Ulster Defence Association

BELFAST (AP) - Authorities raided the headquarters of the main Protestant paramilitary organization early yesterday following a spate of renewed attacks by Protestants on the homes of police and of Roman Catholics, police reported.

Youths hurling petrol bombs burned down the homes of two police officers late Saturday in the most serious of 22 overnight attacks - including 16 on policemen's houses, and six on Catholic homes, police said. No injuries were reported.

Police seized computer tapes and other documents in the pre-dawn swoop on the deserted Belfast headquarters of the Ulster Defence Association, a police source said.

The latest attacks, apparently by

Protestants mounting an increasingly violent protest against the Anglo-Irish accord on Northern Ireland, brought to 103 the number of officers and their families attacked in the past seven days.

The raid on the headquarters of the Ulster Defence Association - which is not outlawed - was the first during the unprecedented wave of violence by Protestants against the 85 per cent Protestant police force and their families.

The overnight violence followed a Saturday lunchtime bomb explosion - suspected to be the work of the outlawed and mainly Catholic Irish Republican Army - in a Belfast pub. Four people were wounded, two of them seriously.

Weinberger in Manila for talks with Aquino

MANILA (AP) - U.S. Defence Secretary Casper Weinberger arrived here yesterday for a 16-hour official visit, the most senior Reagan Administration visitor since the ouster of Ferdinand Marcos February 25.

Weinberger, who arrived aboard a

U.S. Air Force jet with a 10-member official entourage, is scheduled to meet with President Corason Aquino today.

The talks are expected to centre on the future of two strategic U.S. military bases and the Communist insurgency in the Philippines.

S. African Hercules shot down over Angola

LISBON (AP) - The Angolan Defence Ministry claimed yesterday its forces intercepted and shot down a South African cargo plane air-dropping supplies to rebel units in the central province of Bie earlier in the week, Angola's state-run news agency reported.

Angolan Air Force jet fighters came upon three South African Hercules C-130 cargo planes some 25km. west of the town of Caluanga in the northwestern corner of Bie on Thursday, Angop reported in a dispatch from the Angolan capital Luanda, unmonitored in Lisbon.

One of the cargo planes was shot down, a second was hit, and the third withdrew toward Namibia, or South-West Africa, the South African-administered territory more than 600km. to the south, Angop quoted the defence ministry as saying.

The ministry said the three C-130s had been dropping crates of supplies to guerrillas of the rebel movement Unita. Some of the supplies had been recovered by Angolan government troops and search operations are continuing.

The ministry did not clarify whether the second C-130 hit crashed, landed or escaped.

Radicals ready rockets for Tokyo summit

TOKYO (AP) - Leftist radicals have developed and tested a new type of rocket and plan to use it to disrupt the Tokyo summit of industrialized nations next month, a Japanese newspaper reported yesterday.

There already have been three missile attacks in the last two weeks on official buildings. All three were linked to the summit or to plans for the celebration on April 29 of the 60th anniversary of Emperor Hirohito's reign.

The *Yomiuri Shinbun* said police had recovered plans from the radical Chukaku-ha (Middle Core Faction) that showed the group had shot one of its new rockets, which it named "Icarus," off Japan's coast and that it had travelled for 4 kilometres.

A spokesman for the metropolitan police department, which is in charge of security for the May 4-6 summit, said the department would have no comment on the *Yomiuri* report.

The newspaper said police discovered a series of memos written on water-soluble paper when they arrested Toshiaki Hashimoto, 42, a leading member of the Chukaku-ha, last month on charges of attempted murder.

The memos indicated that the Chukaku-ha had scouted out downtown buildings for a suitable location from which to launch the rockets.

The paper did not explain what an Icarus rocket was made from, saying simply that it was a new rocket developed by the Chukaku-ha.

SPORTS

Four qualifiers through in ATP tourney

Post Sports Staff
Four players qualified yesterday at the end of the 48-man qualifying tournament for the main Israel Tennis Association's \$25,000 Challenger ATP Tournament at the ITC Courts in Jerusalem. They are Schultz of Germany, Srensky of Switzerland, De Mynck of Belgium, and Saccanu of Germany. They now join the 24 accepted players and the four wild cards in the tournament proper, that begins today at 2 p.m. The standard was so high that not a single Israeli, among several who were accepted, managed to get near to qualifying.

Humiliated English complain about pitches

PORT OF SPAIN - England's bruised and battered cricketers suffered yet another humiliating defeat here when they were beaten by ten wickets by the West Indies in the fourth cricket Test.

Unable to withstand the West Indies pace attack, the tourists were bowled out for 150 in their second innings - their lowest score of the disastrous series. The victory leaves the West Indies poised to achieve their second successive whitewash of England when the two sides meet for the fifth and final Test in Antigua next week.

It was the second time in the series that England had been crushed inside three days, and the fact that they have topped 200 only once in eight innings speaks volumes for their

Seven singles matches will be played today and nine tomorrow. The doubles will start tomorrow at 6 p.m. The latest rankings of the three top seeds are Mansdorf 92, Masur 110 and Rahasto 170.

Last night the players were guests of honour at a cocktail party given by the Diplomat Hotel, where they are staying. Senior Deputy Mayor Abraham Kechila, the Senior Deputy Mayor of Jerusalem, assured the Israelis present that the time would soon come when the city would have a football stadium to match the Tennis Centre.

batsmen's inability to come to terms with one of the best pace attacks Test cricket has ever seen.

England team manager Tony Brown criticized the queen's park oval pitch for a lack of adequate preparation. "I am not complaining," he said. "But just look at cracks in the pitch after two days." Half-inch wide cracks today crisscrossed the clay pitch, which was the greenest ever seen here. Before play began this morning, groundsmen under the supervision of the umpires shaved one-eighth-of-an-inch off the turf.

England 289 and 150. West Indies 312 and 39 for 6. (AFP, Reuters)

Another Swede

COLOGNE (Reuters) - Swedish teenager Jonas B. Svensson won the first Grand Prix title of what looks sure to be a promising tennis career with a 6-7, (11-9), 6-2, 6-2 victory over compatriot Stefan Eriksson in Cologne yesterday.

SCOREBOARD

NBA - Nets 107, Knicks 93; Bulls 102, Hawks 97; Suns 111, Mavericks 109; Warriors 107, Clippers 106; Jazz 114, Trail Blazers 103; Kings 115, Suns 109.
NFL - Cowboys 5, Kings 3; Browns 7, Blackhawks 3; North Stars 5, Red Wings 3; Bruins 2, Nordiques 2; Canadiens 4, Sabres 2; Capitals 4, Rangers 4 OT; Flyers 4, Penguins 3 OT; Whalers 7, Maple Leafs 1; Islanders 7, Devils 1.

FOREIGN NEWS IN BRIEF

Quake kills five in Peruvian Andes

CUZCO, Peru (Reuters) - At least five people were killed and 50 injured yesterday when an earthquake jolted this southern Peruvian city, civil defence officials said.

They said two of the dead were children. The tremor, which registered 5.8 on the Richter scale, flattened several buildings in poor districts of the Andean city, the officials said.

Sudan celebrates coup, thanks U.S. for aid

KHARTOUM (AP) - Sudanese strongman Abdel-Rahman Swaredhab yesterday reaffirmed his pledge to hand over power to civilians as Sudan celebrated the first anniversary of his coup against president Ja'afar Numeiri.

In a nationally broadcast 20-minute speech, Swaredhab also thanked the U.S. for its aid provided during last year's African drought and famine and for American assistance. "which still flows."

Swaredhab's remarks followed two weeks of bitter denunciations of the U.S. by Sudanese officials for the American clashes with Libya.

The U.S. has also cut off some aid to Sudan because of the country's failure to repay interest on time.

China hopeful of better ties with Soviets

PEKING (AP) - Some progress can be made in upcoming Sino-Soviet consultations in which normalization will be the main theme, if both sides show "sincerity", China's Vice Minister of Foreign Affairs Qian Qichen said yesterday.

Qian was speaking prior to his departure for Moscow for the eighth round of Sino-Soviet consultations, due to end in mid-April.

Late last month, Prime Minister Zhao Ziyang said "no substantial progress has been made in political relations between the two countries in recent years."

Nigerian ex-minister arrested on return home

ABIDJAN, Ivory Coast (AP) - The commerce minister in Nigeria's ousted civilian government was arrested while trying to return to his West African country, Nigerian radio said yesterday morning.

The broadcast, monitored here, said Bello Maitama Yusuf was caught "trying to sneak into Kano." He is a native of the northern Nigerian city.

The former minister was visiting Britain when the government of president Shehu Shagari was overthrown in a military coup on Dec. 31, 1983.

Anti-nuke protesters hold 'die-in' in California

ANAHEIM, California (AP) - Three hundred people protesting a military weapons show acted out their deaths Saturday in the shadow of a mock nuclear mushroom cloud simulated by a 15-metre ball.

The Orange County Alliance for Survival and Orange County Coalition for Peace participated in what they called a "die-in" outside the three-day Mideast International '86 military defence exposition at the Anaheim Convention Centre.

The group demonstrated on the lawn outside the centre, then inflated a balloon resembling the mushroom cloud that results in the aftermath of an atomic blast.

**THE HEBREW UNIVERSITY
OF JERUSALEM**

The Leonard Davis Institute

for International Relations

INVITATION

The public is cordially invited to the final session of the conference on

"The Struggle for the State of Israel"

Thursday, April 17, 1986, 3:30 to 6:30 p.m. in the hall of Beth Hachofetz

The Ramat Aviv Campus of Tel Aviv University

Chairman: General (Res.) Raphael Yardi

Speakers:

Professor Roger Louis, University of Texas

"The British Military Evacuation from Palestine"

Professor Norman Ross, The Hebrew University of Jerusalem

"Weizmann, Zionist Policy, and the Establishment of the State"

Dr. Meir Pe'li, Yad Tabenkin

"The Transition from Haganah to IDF - Israel Defence Forces"

The session is held in cooperation with

Ha'truan Ha'artzit Shei Vatikel Ha'hagana

**Announcement to members of
Kupat Holim Maccabi,
Assaf Branch, Haifa**

Starting April 1986, membership dues will be increased by 15% (in some cases by 20%).

The increase takes account of differences in dues for the period January-March, 1986, during which dues paid by members of the Assaf branch were lower than for other members of the Maccabi Kupat Holim.

Membership fees will not be raised in May, June 1986.

Maccabi Sick Fund
Incorporating the Assaf Sick Fund

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Fear of Flying

Suddenly, A New Burst Of Uncertain Frustration

By BERNARD GWERTZMAN

THE explosion aboard TWA Flight 840 over Athens last week was a classic act of terrorism. It took place suddenly, with devastating results, and left the United States and other countries frustrated, juggling the blame for evident security lapses, unsure who carried it out, uncertain what to do about it. "The shadow of terrorism is spreading over the Mediterranean," said Defense Minister Giovanni Spadolini of Italy.

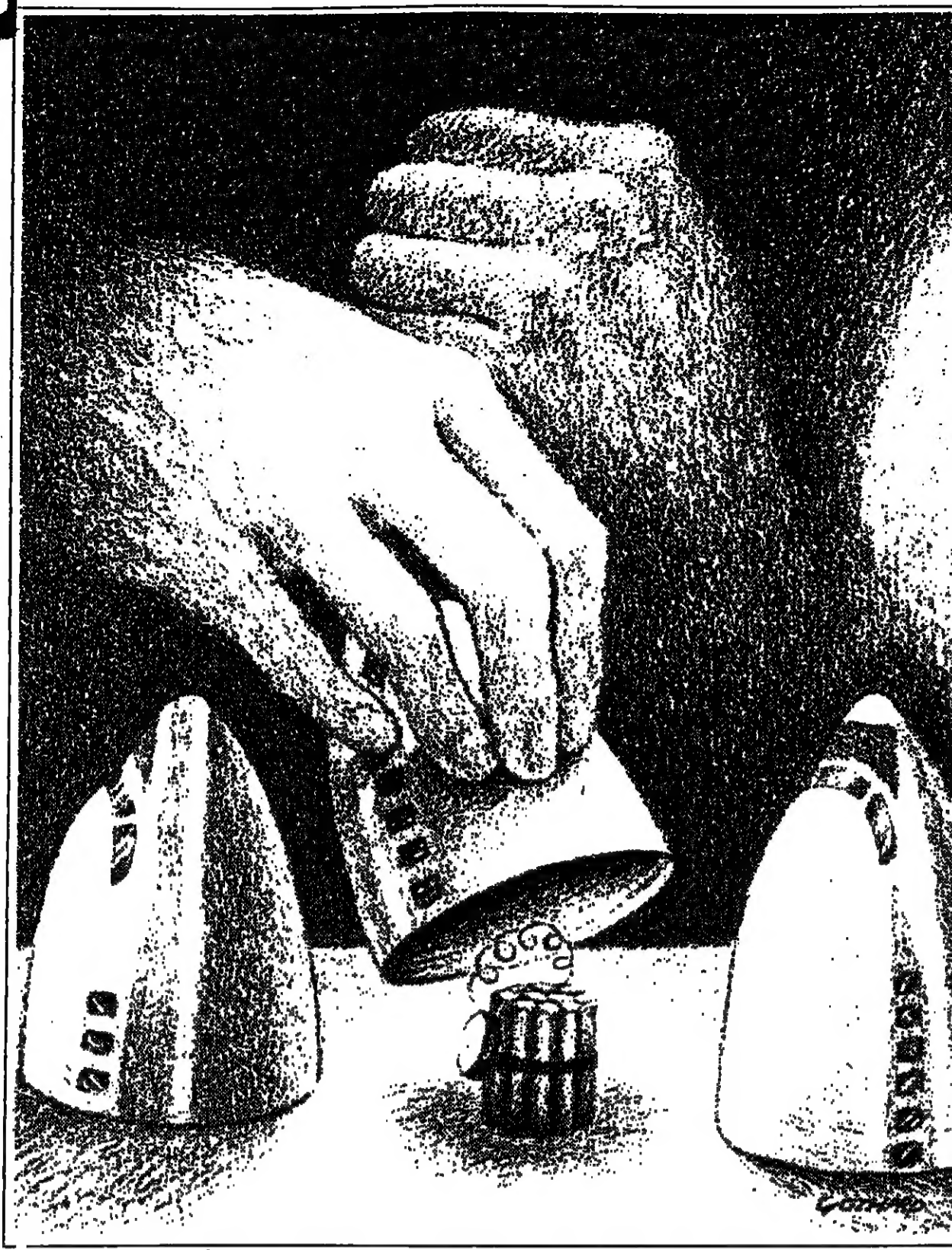
As authorities dealt with the TWA attack, another terrorist bomb went off Saturday in a West Berlin night club, killing an American soldier and a West German woman and wounding 155 people. The nightclub is a favorite of American soldiers. Unconfirmed claims of responsibility were made by a West German terrorist group and an Arab group. In Washington, American officials said they suspected there was a Libyan involvement in the Berlin attack. They said their suspicion was based on intelligence reports that Libya had been encouraging anti-American attacks in Europe.

As the violence continued, the affected countries sought ways to stop it. France said Saturday that it had expelled two Libyans who had contacts with suspected terrorists. And the new conservative French Government said it would place terrorism on the agenda of next month's summit meeting of industrialized states; in the last year, terrorists have killed more than 100 people. Even before last week's bombing, many worried Americans were canceling Mediterranean trips. The State Department called for "prudence" by travelers.

The explosion was particularly exasperating for Washington, which had sent Navy jets into the Gulf of Sidra just the week before in hopes, United States officials said last week, of encouraging disaffection in the Libyan military against Col. Muammar el-Qaddafi and thus curbing Libyan support for terrorism. Americans instinctively looked for the Colonel's hand in the TWA bombing, but found no immediate proof. And there was no enthusiasm in Europe or among friendly Arab countries for another American military confrontation with Libya, as Secretary of State George P. Shultz learned on his recent European trip. Such moves only bolster the Libyan leader at home and abroad, he was told by officials in Turkey, Greece and Italy.

The victims last week were four Americans, including an eight-month-old child, sucked to their deaths when the bomb blew a hole in the side of the plane Wednesday. Italian investigators said a woman identified as May E. Mansour was a prime suspect. But no one was sure of her real identity or intentions.

A woman in Tripoli, Lebanon, said she was the person being sought and was an anti-Israeli guerrilla, but denied that she had placed the bomb. Italian authorities said she had flown from Beirut to Cairo March 25. Eight days later, she flew from Cairo to Athens in Seat 10F on the TWA Boeing 727. They said she planted the bomb somewhere around her seat before disembarking in Athens and taking another flight back to Beirut. Airport



David Gohard

officials in Cairo said Mrs. Mansour and her belongings had been searched thoroughly.

The TWA plane continued to Rome, took on 121 passengers and a new crew, and headed back to Athens. The explosion occurred at 11,000 feet during its descent over Greece. At the normal cruising altitude, 25,000 feet, the entire plane might have been destroyed. The Italian story places primary blame on the Egyptians for allowing the bomb to be brought aboard and on TWA for overlooking it during the Rome layover. The United States avoided endorsing the Italian version while waiting for results of a full investigation.

Tracing the Airport Attackers

Washington needed to know who had placed the bomb and whether any government was behind it. "We are not ruling out any terrorist group, organization, movement or individual," the White House said. Michael H. Armacost, the Under Secretary of State for Political Affairs, said Colonel Qaddafi had to be regarded as a suspect despite the lack of evidence. During the Sidra maneuvers, the Libyan leader called on Arabs to kill Americans and destroy American targets.

But last week, he condemned the TWA bombing as an impermissible attack on purely civilian targets. A group calling itself the Arab Revolutionary Cells claimed responsibility, but Israeli officials asserted that the

operation was executed jointly by the pro-Syrian wing of the Palestine Liberation Organization and the Abu Nidal group, which has claimed responsibility for numerous acts of terrorism.

In December, after the terrorist attacks on the Rome and Vienna airports, Western authorities captured some of the gunmen and traced their passports to Libya. A persuasive case was made that the operation was planned by the Abu Nidal group working out of Libya. The United States launched an economic boycott of Libya and later forced the military showdown in the Gulf of Sidra. However, Mr. Armacost said, the TWA bomb did not appear to be directly related to the Sidra operation, but was rather one of the increasingly frequent terrorist actions over the last year.

Robert B. Oakley, the State Department's ambassador at large for counterterrorism, had predicted in February that "the terrorism threat is likely to continue to grow and be with us for at least another decade." He added, "There are too many causes, too many diverse actors and too many political, religious, social and nationalistic sore spots in the world, which generate individuals ready to become terrorists." But Mr. Oakley offered no dramatic antidotes. "We should not be discouraged or panicked about it," he said, "but rather keep our cool and determination. This will be a long process; there are no magic solutions or remedies."

An Uneasy Period

Trading Taunts With Moscow

By PHILIP TAUBMAN

MIKHAIL S. Gorbachev seemed ubiquitous last week, appearing here almost every day on television or in the newspapers with a new appeal for President Reagan to negotiate an end to nuclear weapons testing.

In the eyes of some Western diplomats, Mr. Gorbachev seemed to be operating on the theory that the best defense is a good offense. There was something slightly strained about his efforts, a sense that he was trying to deflect Soviet disappointment that Moscow's arms control initiatives, although dominating the news in recent months, have failed to attract much support abroad or move Washington toward an agreement. More than four months after Mr. Gorbachev and President Reagan met in Geneva, relations between Moscow and Washington seemed to be at a standstill. As Secretary of State George P. Shultz lamented, instead of sitting down in private to negotiate the superpowers were continuing to jab proposals back and forth in public. In the latest exchange, the White House rejected Mr. Gorbachev's offer to hold a single-issue summit meeting in Europe in the near future to discuss nuclear testing. Soviet officials stressed that the idea of a European meeting did not preclude a visit to Washington by Mr. Gorbachev this year, as agreed in Geneva, and on Friday there was movement toward setting a date. The Soviet Foreign Minister, Eduard A. Shevardnadze, told the American Ambassador, Arthur A. Hartman, that the Soviet Ambassador to Washington would be authorized this week to work out a meeting date between Mr. Shevardnadze and Mr. Shultz, a conference that was expected to deal in turn with the date of the Washington summit. Even Mr. Shultz's complaint provoked a tart Soviet response. "It is up to us to decide what questions should be made publicly or through diplomatic channels," Georgi M. Kornienko, a First Deputy Foreign Minister, told reporters. Mr. Gorbachev seemed accurate when he said, "There is now an uneasy period in these relations."

Despite the problems, diplomats predicted that a Washington summit would take place before the end of the year because ultimately Mr. Gorbachev cannot afford to scuttle it. After talking with Mr. Gorbachev for more than two hours Friday, Dante B. Fascell, the Florida Democrat who is chairman of the House Foreign Affairs Committee, said the Soviet leader seemed committed to visiting Washington in 1986.

The diplomats said that Mr. Reagan, convinced

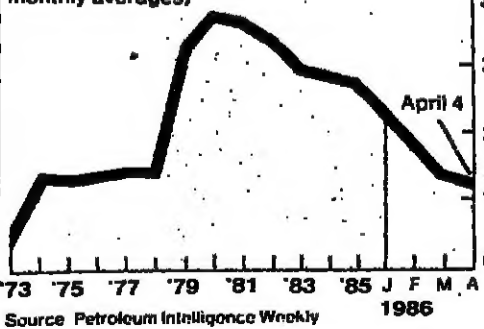


Mikhail S. Gorbachev in a Moscow TV studio.

A Plea for Stability, Not Price-Setting, on the Oil Market

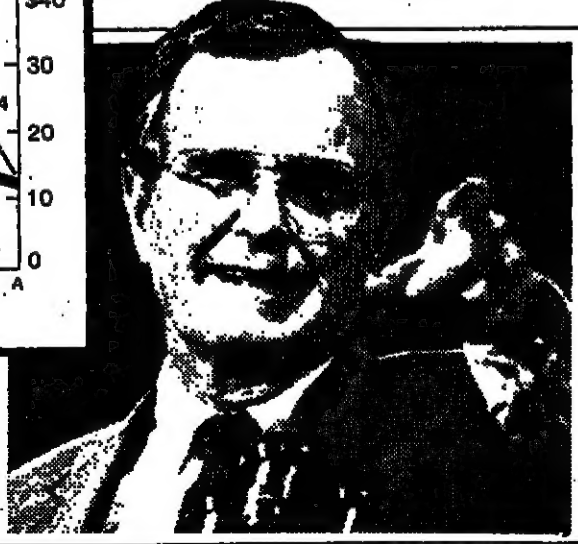
Tumbling oil prices

Spot price for African/North Sea light crude (in dollars per barrel, annual and monthly averages)



Source: Petroleum Intelligence Weekly

Vice President Bush last week, discussing his trip to Saudi Arabia.



United Press International

JUST when many Americans were happily contemplating the shriveling of inflation and other payoffs of plummeting oil prices, Vice President Bush came along with a different message. Embarking on a Middle Eastern trip last week, Mr. Bush said he would be telling Saudi Arabia that steep decreases in prices were harming "our own domestic interest and thus the interest of our national security."

"My plea will be for stability of the marketplace," said Mr. Bush, an adopted Texan with Presidential ambitions and close ties to the oil industry. He warned against letting oil prices experience "a continued free fall like a parachutist jumping out without a parachute."

The White House, however, had other priorities. Larry M. Speakes, the spokesman, said the Administration believes oil prices should be set by market forces. "While we are concerned with the effects of falling prices on oil-producing sectors of the

U.S. economy," Mr. Speakes said, "the net effect for American consumers and the American economy will be positive." (Where the economy is headed)

As for Mr. Bush's trip, Mr. Speakes said, "he is not going on a price-setting mission." That's right, the Vice President's own spokesman then said.

Saudi Arabia's decision to expand its production last fall is widely blamed by oilmen (and credited by consumers) for enlarging world surpluses and leading to a two-thirds drop in prices. Last week, oil was bringing less than \$10 a barrel on some futures markets; the price rebounded after Mr. Bush's remarks.

The Saudis "need to be aware of the dire straits the American oil and gas producers are in," along with their suppliers and bankers, said Energy Secretary John S. Herring. The distress was acute in much of Louisiana and the Southwest. Said Labor Secretary Bill Brock: "Texas took a bath."

The City Scandal Takes a New Turn

THE municipal scandal that has preoccupied New York City since January widened significantly last week, with the indictment of John J. McLaughlin, a former president of the city's Health and Hospitals Corporation. Nearly a dozen people have been indicted or implicated in the corruption investigations, but Mr. McLaughlin, who was accused of taking a \$150,000 bribe, was the first of them to have been appointed to his city job by Mayor Koch, and his indictment was the first involving an agency other

than the Parking Violations Bureau. Mr. McLaughlin was charged with accepting the bribe, in the form of discounted stock, in return for obtaining a \$1 million consultant's contract for Nu-Med Inc., a California medical-management company, with the hospitals corporation. Robert M. Morgenthau, the Manhattan District Attorney, who announced the indictment, said he was investigating several other contracts overseen by Mr. McLaughlin, who in 1984 and 1985 headed the agency that runs the \$1.8 billion-a-year municipal hos-

pital system. Mayor Koch, who controls 10 of the 15 votes on the hospital corporation's board, said he was "distressed" by the indictment.

At his arraignment, Mr. McLaughlin pleaded not guilty. He is awaiting trial on several unrelated charges, including one that he stole more than \$250,000 from a former law client.

Eight people, including Stanley M. Friedman, the Bronx Democratic leader, were charged two weeks ago with accepting or offering bribes in exchange for contracts with the Parking Violations Bureau.



John J. McLaughlin, former president of the Health and Hospitals Corporation, outside courthouse last week.

that he has produced a more favorable Soviet-American balance of power, enjoying enormous popularity at home, secure in his job, can afford to let relations stagnate for a while. Eventually, the diplomats said, Congressional elections — and particularly the possibility that the Republicans might lose control of the Senate — may impel Mr. Reagan to strike a deal on arms control. In addition, American diplomats said, Mr. Reagan's actions may be affected by a desire to make some lasting improvement in relations before his term expires. Mr. Gorbachev is faced with a more complex equation, according to the diplomats. There have been hints that his failure to persuade Mr. Reagan to drop the development of a space-based missile defense, disappointed the Soviet military and some of Mr. Gorbachev's colleagues in the Kremlin. Questions have also been raised in the Soviet Union about Moscow's unilateral moratorium on nuclear testing. Mr. Gorbachev's nationally televised speech March 29, in which he offered to meet Mr. Reagan in Europe, struck many diplomats as an effort to reassure the nation that he had not handed Washington an advantage in weapons development. Mr. Gorbachev said last week that Moscow would resume underground explosions after the United States conducts another test. American officials said the next test in Nevada could be as soon as April 8.

These considerations seem to weigh against another session with Mr. Reagan that does not produce substantive progress on arms control. Moscow has repeatedly underscored the need for such results. But other pressures would seem to make it imperative for Mr. Gorbachev to keep relations with Washington stable, even if there is only slight progress on arms control.

Mr. Gorbachev needs a period of reduced tension and flat defense spending to have any hope of carrying out the ambitious economic modernization program endorsed by the Communist Party Congress last month, according to Soviet officials. Tumbling oil prices have undercut Moscow's revenue from petroleum exports, the main source of hard currency used to buy Western grain and technology. Several diplomats said Moscow had refrained from setting a date for Mr. Gorbachev's Washington visit to keep the international spotlight focused on the White House refusal to join in the testing moratorium. As the moratorium comes to an end, they expect discussions about the Washington summit to get serious.

The World

White House Says Insurgents Need Stingers

The Stinger is a shoulder-fired guided missile system about 5 feet long and weighing 34.5 pounds that uses an infrared system to home in on low-flying planes and helicopters. One man can operate the \$75,000 weapon, sighting the target and firing the high-explosive missile through a disposable launch tube. Stingers are among the weapons included in military and other aid the Reagan Administration wants to supply the anti-Government rebels in Nicaragua for use against Soviet-made MI-24 helicopter gunships of the Sandinista air force.

Last week, Stingers became the center of another dispute between the White House and Capitol Hill—a debate over how much military mischief the Administration should sponsor without a Congressional vote. The Reagan Administration plans to supply hundreds of Stingers to rebels in Angola led by Jonas Savimbi, who has been fighting for 10 years to overthrow the avowedly Marxist Government in Luanda, and to the insurgents who have been fighting since 1979 against a pro-Soviet Government in Afghanistan and the Russian troops supporting it.

The Congressional opposition to supplying the rebel groups was led by Representative Lee Hamilton, the Indiana Democrat who is chairman of the House Intelligence Committee. He called for an end to the so-called covert aid programs under which Washington supports the rebel groups, saying, "I don't think it is wise to proceed on these highly controversial foreign policy decisions without the support of the Congress." "This is not a covert action in the ordinary understanding of the term," he said of the hostilities in Angola; "this is a war."

The President may initiate covert programs without Congressional approval, but he is required to notify the intelligence committees of both houses. At week's end, Mr. Hamilton said that if the Administration did not rescind its decision he would press for legislation to end or restrict covert aid or to require Congressional approval for such programs.

Sudan's Military Keeps a Promise

It may have been out of practice, but the Sudan has not forgotten how to hold an election. In fact, the country's first contested election since 1968 saw about 30 parties field candidates last week for 301 seats in a new National Assembly that will choose a government and write a constitution.

The balloting, which started Tuesday, will take 12 days, and counting the vote at least an additional three. There were predictions that most of the seats would be split by the two major political groups: the Umma Party, which favors a nonaligned foreign policy, and the Unionist Party, which is traditionally pro-Egyptian and has called for unity among Arab nations. A possible "spoiler" is the National Islamic Front, made up of Moslem fundamentalists who want to build on the strict Islamic law that had been enforced by the one-party regime of President Gaafar al-Nimeiry. "Only over our dead martyrs' shoulders will liquor, gambling or loose women ever return to Sudan," said one of the Islamic Front's candidates.

Many hope a new Government will be able to address the Sudan's huge problems, including an intensifying civil war in the south, where a relatively small percentage of voters are registered, the threat of famine and the presence of tens of thousands of refugees from neighboring countries.



Dr. al-Gazouly Dafallah, Prime Minister of the Sudan, casting his vote in Khartoum last week.

who strain the nation's limited resources.

Relations with the United States, the Sudan's chief benefactor, have been sticky since the military rulers who overthrew Mr. Nimeiry last April re-established ties with Libya. But whichever party wins, the military will at least have made good on its promise to hold elections within a year.

Marcos Attacks From Honolulu

At first, Ferdinand E. Marcos contended last week that he was still President of the Philippines, attacking his successor, Corason C. Aquino, as a dictator. But on Saturday he called a Manila radio station to say that Filipinos, especially the Army, should support Mrs. Aquino. He referred to the woman who supplanted him with an odd mixture of respect and familiarity, as "Madame Cory Aquino," using her nickname. Mentioning that his wife, Imelda, was weeping as he spoke, he said among other things: "Let's be happy." "I have no intention of starting a civil war" and "I am irrelevant."

Earlier he branded as lies reports on his wealth, adding, "I intend to do legal battle with all the strength and resources at my command in order for truth and justice to prevail."

Mr. Marcos will not get asylum from Spain, that nation's Foreign Minister, Francisco Fernández-Ordóñez, said, despite requests from Washington that it be granted. He added that even if Mrs. Aquino had asked Spain to take Mr. Marcos, the answer would have been no. Mr. Marcos, who has been living in a \$1.5 million beachfront home in Honolulu, wants to live in Spain, Mexico or Panama rather than in the United States, where he might face lawsuits involving his property. The State Department has been trying to find a country to accept him.

Back in Manila, the Aquino Government dealt with several sensitive issues. It decided last week to appoint a special emissary to meet with Communist rebels of the outlawed National Democratic Front. Responding to demands for reform of the military, the Government also retired 20 generals and 19 colonels who had been kept past retirement age by Mr. Marcos. The Supreme Court moved toward reopening an inquiry into the assassination of Mrs. Aquino's husband, Benigno S. Aquino Jr. His accused murderers were tried and acquitted in December.

A political associate of Vice President Salvador H. Laurel called Friday for the resignation of Finance Minister Jaime Ongpin, a key Aquino adviser, when it was disclosed that he headed a company secretly controlled by a Marcos relative. The demand illustrated the political infighting beginning to stir in the Aquino Government and the difficulty the Government is having making a clean break from the Philippine establishment controlled by Mr. Marcos for 20 years.

Meanwhile, a 12-day strike by workers at United States bases ended in a settlement giving them more pay and benefits.

U.S. Pledges to Help Haiti More

Although the departure of President Jean-Claude Duvalier was cause for national rejoicing, it is becoming more and more apparent in Haiti these days that the party is over. Two months after Mr. Duvalier fled to France, the country he left is struggling economically; the ruling council that replaced him, dominated by the military, is losing popularity, and small leftist groups are worrying some diplomats.

Washington's concern was evident last week. At the end of a two-day visit, Elliott Abrams, Assistant Secretary of State for Inter-American Affairs, said the United States would increase economic and military assistance and help the struggling Caribbean nation recover some of the riches the Haitians say the Duvalier Government stole. New emergency food shipments of \$10 million will bring American aid to about \$60 million this year, and Mr. Abrams said some military aid would be forthcoming. More will depend on Congress.

Haitian officials say both the military and the police forces will soon begin a recruiting program to fill the vacuum left by the Tontons Macoute, Mr. Duvalier's personal militia. Since the much-feared force was disbanded, Haiti has been left with security forces of about 7,800 men, most of them poorly trained.

As for recovering any of the Duvalier fortune, Mr. Abrams said the United States would help "every way we can." But in contrast to the case of the Philippines, which is tracking the fortune of former President Ferdinand Marcos, Washington lacks documents to give to Haiti showing what its former leader's assets are, so recovery will probably be harder.

Milt Freudenheim,
Richard Levine
and James F. Clarity

Undoing the Socialist Plan



French nuclear attack unit with a Pluton missile during maneuvers near the city of Troyes.

French nuclear forces

Warheads carried by French nuclear forces

	1983	Mid-1990's
Strategic forces		
Sea-based	80	592
Land-based	52	100*
Total	132	692
Tactical forces		
Sea-based	36	53
Land-based	117**	185**
Total	153	238
Total all warheads	285	930

* Assumes deployment of 100 new mobile missiles, as planned, and chancing out of fixed land-based missiles.
** Assumes Pluton short-range missile can fire only once.
Source: "France, the Soviet Union and the Nuclear Weapons Issue," by Robin F. Laird.

provides for France's new Rapid Deployment Force to come to the Federal Republic's aid against an aggressor, using tactical nuclear weapons in the fight. That is a major step away from Gaullist independence. The only criticism came from the Communists, who accused Mr. Mitterrand of "nuclear marriage with revanchist Germany."

The Trip Wire Force

But Paris remains somewhat aloof. France is still a member of the North Atlantic Alliance, though no French political leader favors putting French forces back under NATO's integrated military command. While American, British and Canadian forces in Germany are deployed near its eastern border, France still keeps its First Army Corps close to the frontier at Baden Baden to serve as a "trip wire" for an aggressor approaching the French sanctuary.

Reserving French forces for home defense has had advantages. It has allowed successive Governments to preserve a unique political consensus in the country in favor of expensive nuclear weapon programs, sparing France the consequences of a powerful peace movement like those in Germany and Britain.

Strategically, France's doctrine of nuclear retaliation complicates Moscow's calculations. The Russians know they will always win a nuclear fight with France, but the damage they would suffer in the conflict could insure that the United States wins the war. "We will tear an arm off the Russian bear," General de Gaulle once said, and it sounded like a good strategy when he said it.

But, the growth of the Soviet Union's own forces and the development of anti-missile defenses make it less certain that France could maim the bear. "Why should France commit suicide if it can only deliver a slap in face, not a fatal blow to the Soviets?" asks the American scholar Robin F. Laird in a new study of French defense policy.

There are other factors involved in the policy change. The spiraling cost of modern weaponry also forces France to collaborate with its European neighbors in developing new systems, obliging service chiefs to coordinate needs and tactics.

But the main pressure for dismantling Fortress France stems directly from General de Gaulle's other legacy—France's postwar reconciliation and political alliance with West Germany, NATO's "front line" state.

As Paris seeks closer ties with Bonn, it comes under mounting pressure to strengthen its commitment to Germany's defense.

A major problem is finding the cash for a new strategy based on stronger conventional and nuclear defenses. To improve deterrence credibility, France is expanding its nuclear forces, increasing its 285 warheads to more than 900 by the mid 1990's.

Chirac Is Pledged to Stick With NATO and Bonn

By PAUL LEWIS

PARIS
THE conservative Government that came to power in France last month plans to break with Socialism in virtually every field except national defense, an area where left and right have often been bitter opponents.

Indeed, the neo-Gaullist Prime Minister, Jacques Chirac, is pledged to undo much of what the Socialist Government did in its five years in power. Last week he disclosed that he plans next month to accompany the Socialist President, François Mitterrand, to the Tokyo summit of seven leading industrial democracies. Mr. Chirac's intention is to challenge Mr. Mitterrand's contention that the French constitution gives the President ultimate control over foreign policy.

Mr. Chirac is also more positive toward President Reagan's plans for a space-based anti-missile shield than are the Socialists.

These important differences notwithstanding, Mr. Chirac is still pledged to continue the revolution in French military thinking that President Mitterrand encouraged over the last five years as he adroitly began to retie France's defenses to those of West Germany and NATO.

Mr. Chirac thought differently as Prime Minister 10 years ago, when he blocked President Valéry Giscard d'Estaing's attempt to reverse France's traditional Gaullist policy of military independence whether the Allies liked it or not.

But today military isolationism is out of fashion, defense cooperation back in favor. Just 20 years after de Gaulle withdrew French forces from NATO's command, all major political parties except the Communists have discarded the General's vision of a "Fortress France" whose might is reserved for the exclusive defense of the homeland "sanctuary."

That is, the French would defend only their own backyard, letting others, West Germany included, fend for themselves.

Last month, in the midst of the electoral campaign, President Mitterrand signed a military cooperation pact with West Germany that

Rebellions, Famine and a Collapsed Cotton Market

In Chad, the Peasants Work and Wait

By EDWARD A. GARGAN

DOBA, CHAD
AS cars kicked up dust along the dirt track that pushes through this small town, groups of women pulled bright printed cotton shawls across their faces and glanced curiously. The procession was headed toward an acre of open ground on which 44 small booths had been erected. At one, samples of cotton plants were displayed. At another, cans of insecticide were stacked, with photographs of vegetables free from insect damage. Two small water pumps were laid out at a third booth, along with simple steel plows and rakes.

The scene last month marked the opening of Chad's first agricultural fair, no mean accomplishment for a country racked by war and rebellion for more than two decades and identified by the World Bank as the world's poorest. Lately, Chad's Government has been preoccupied with the military threat posed by the Libyan occupation of its territory above the 16th parallel, which cuts across the northern part of the country. Last year, Chad endured one of the worst droughts and famines in its recent history. And for the last several years an assortment of guerilla groups, or "codos" (short for commando) some little more than the private armies of individual war lords, has roamed the south, disrupting planting.

But for the first time in a long time, the central Government in Ndjamena exercises control over the area around Doba, a gentle basin north of the Central African Republic border that forms the country's principal agricultural region. In the last several months, President Hissen Habre has persuaded the last of the main guerilla hands to join the Government, giving some code leaders administrative positions and absorbing many guerillas into the army.

"More than 8,000 people came out of the bush," said Paul Ngardoumri, the prefect of this province, Logone Oriental. So accommodating has been the Government, he went on, that even his deputy is a former codo. The reconciliation has helped turn the chaos of past years into tranquility, and that has been a blessing for agriculture. "Things have slowly been getting better since



Farmers tending their crops on Waddi Rambo, an oasis near Mao, Chad.

1984," said a Catholic missionary at the agricultural fair. "The peasants work and wait."

This year, according to Western experts, Chad has even experienced a slight increase in its grain harvest. "The rains weren't that super," a Western aid official said, "but they were well-timed and well-directed." Nonetheless, the lack of roads has prevented the distribution of surplus

grain, resulting in continued pockets of famine. And even as Mr. Habre has been reassuring the populace, agriculture here has been thrown into drop in world cotton prices.

Since independence in 1960, cotton has been Chad's principal export, although drought and war have regularly cut production. Now, as calm apparently settles over the south and the prospects of an expanded cotton crop gain, falling prices make it unlikely that there will be any growth in foreign earnings.

"The cotton market has collapsed," said a Western diplomat in Ndjamena. "In 1983, the best year, they made a pot of money off of cotton. Now, it costs more to grow it and to get it to market than people are willing to pay for it. Obviously, what has to be done is to take a very hard look at diversification. When you have a crop that is declining on the world market rapidly, you'd better start looking around for other possibilities."

The fall of cotton prices means that Chad will have to rely even more on France and the United States for assistance. Government expenditures this year are estimated at about \$37 million, at least \$10 million more than it can realistically expect in revenues.

Here in Doba, the vagaries of the world agricultural market are beginning to be felt. "We were going to increase the price to farmers," said Mr. Ngardoumri, the prefect. "Now we can't." One hope, he said, was that some techniques demonstrated at the fair would help farmers increase production, thus lowering costs.

But the advances exhibited were relatively modest. At one booth a blue ox-drawn plow was the most sophisticated tool on display. The agriculture officer at the booth said that for most farmers, who use an even simpler implement made of curved steel spikes attached to a log, such a plow would be a luxury.

"The Doba agriculture fair will be a success if the innovations presented here for the betterment of agriculture are understood and accepted," the Minister of Agriculture, Djidjirano Ngardoumri, said at the exhibit's opening. The farmers here looked and sometimes even asked questions. But when or whether the lessons of the fair will find their way to the fields is another matter.

David Levy: The Real Power in the Herut Party

An Israeli Populist Roams the Corridors of Power

By THOMAS L. FRIEDMAN

FOR many years David Levy, Israel's 48-year-old Minister of Housing, has been largely unknown to foreign observers. He speaks only Hebrew and French, so Americans in particular have not had much contact with him.

In Israel, Mr. Levy, the father of 12 children, had devoted followers, but was often the butt of vicious political jokes. Lately, however, his opponents have not found him funny.

As he demonstrated at last month's convention of the Herut Party — the core of the Likud right-of-center coalition — Mr. Levy probably controls the biggest bloc of right-wing voters, much to the surprise and chagrin of Herut's ostensible leader, Foreign Minister Yitzhak Shamir.

Herut insiders estimate that Mr. Levy has the allegiance of 45 to 50 percent of the party's branch delegates, that his Cabinet colleague Ariel Sharon has 10 to 15 percent, and that Mr. Shamir has the remainder.

Nonetheless, Mr. Shamir and the Herut "old guard" have resisted giving Mr. Levy what he sees as his due: the leadership or recognition as party's heir apparent. "Shamir does not want to recognize Levy's power because he does not want to pass the party to him," said Daniel J. Elazar, director of the Jerusalem Center for Public Affairs.

David Levy's strength has always been an ability to start small and work patiently, job by job, political office by political office, toward his goal of becoming Prime Minister. Born in Rabat, Morocco, he immigrated to Israel with his parents at the age of 20. His family was given an apartment in Beit Shean, a poor northern development town, and Beit Shean and towns like it have been his political base ever since.

Lesson from a Riot

His wife worked as a cleaning woman, while he, lacking advanced education, sought jobs in construction. During one particularly harsh stretch of unemployment, Mr. Levy led rioters at the local employment office in a demand for work. He was sentenced to 12 days in prison, which he served in the Beit Shean police station. "Those were terrible days," Mr. Levy recalled in a biography by Arye Avneri. "I would look at myself in the mirror, and tears would stream down my face. I real-

ized I had to do something to change my situation, and that turning over desks in the employment office was no way to go about it. I had to find a road that would lead to the corridors of power. I had to learn the rules of the game and play it by the rules."

Mr. Levy quickly showed a knack for the game and its rules. He organized workers during local strikes and attracted the attention of the national political parties. In 1965 he ran on the Herut ticket and won a seat in the local Beit Shean Council. He began organizing Herut supporters in other northern development towns and in the Labor Party-dominated Histadrut union, where he is credited with opening a Herut bridgehead.

Differing Over Lebanon

He offered a development-town variety of populism that was attractive to deprived Sephardic immigrants from North Africa and other Arab countries. His organizing skills among Sephardim caught the eye of the Herut leader, Menachem Begin, who brought him into Parliament, the Knesset.

In 1977, when Mr. Begin wrested the Prime Minister's office from Labor, Mr. Levy was made Minister in charge of absorbing immigrants and later Housing Minister. Although he received insufficient credit for doing so, according to Mr. Elazar, Mr. Levy has supervised a transformation and expansion of Government housing programs that eased a serious shortage.

In foreign policy, Mr. Levy is a staunch advocate of retaining the West Bank while granting full autonomy to the Palestinians there. During Israel's occupation of Lebanon, however, he broke ranks with other hard-line Herut ministers and voted with Labor for withdrawal.

Mr. Levy has used his national position to build his own coalition in the party, preparing for the day when Mr. Begin would retire. Said Nissim Abouloff, a lawyer and Levy confidant: "He visited the branches regularly and built up his supporters through all of the democratic party means, helping people with problems and jobs."

Mr. Levy insists that he is not an ethnic politician. "I think I have the ability to unify the country," he declares.

Mr. Elazar says Mr. Levy's initial rise was on a personal basis; then as he hit the national stage "he rode the ethnic wave" as a representative of the Sephardim.

Finally, he used his power base to build a Herut coalition that now includes both Sep-



David Levy (right), Israel's Minister of Housing, and Yitzhak Shamir, the Foreign Minister, at the Herut Party convention last month.

hardi and some Ashkenzi or European Jews.

Sephardim, who have tended to be more economically and educationally deprived, make up roughly 48 percent of the Jewish electorate. However, says Hanoch Smith, a pollster, among 18-year-olds, they outnumber the often more well-to-do Ashkenzi

voters, 62 percent to 38 percent.

Mr. Levy's main weakness is that although he has a wide following in Herut, it is not clear whether he can put together a national coalition. With his flowery, sometimes bombastic style, he still seems to know how to address only one audience. "Levy is often his own worst enemy,"

Mr. Elazar said. "His style sometimes makes him look like a vulgar populist, and this has obscured some of his real accomplishments."

If David Levy can round out his appeal, Israeli analysts say, his solid base and organizational skills will make him a serious force in Israel for a long time to come.

Congressmen Take Another Look at Contra Aid



Representatives G. V. Montgomery (left) and Sander M. Levin in Managua last month.

Traveling to Nicaragua Yields No Easy Answers

By STEVEN V. ROBERTS

REPRESENTATIVE Sander M. Levin held up *La Prensa*, the main opposition newspaper in Nicaragua. The editors had marked stories subjected to censorship by the Sandinista Government. Almost every front-page article was checked.

The Michigan Congressman was one of a number of Democrats who visited Nicaragua during the Congressional recess that ends this week. The newspaper, he said, had crystallized their impressions. "The evidence is clear," he added. "The Sandinistas have accelerated their movement toward a closed society."

The visitors' reactions are important because this week the House will again take up President Reagan's request to send \$100 million to the anti-Sandinista guerrillas. The House rejected his request by only 12 votes last month. The Senate approved it, 53 to 47. Mr. Levin voted against the proposal and says he will do so again, but his growing disillusionment with the Sandinistas is widely shared. As a result, the House is expected to pass a compromise, giving the President the money, albeit with strings attached. "What I learned upped the ante," Mr. Levin said. "What I found is that the situation is more complicated than I thought, more intractable than I thought. I found virtually nobody in the middle there."

With Central America high on their agenda, lawmakers have been heading southward for a closer look. Speaker Thomas P. O'Neill Jr. led a delegation on a two-week trip with a stop in Venezuela, which hopes to find a regional settlement. Representative Les Aspin of Wisconsin, the chairman of the Armed Services Committee, also visited Nicaragua last week. Mr. Levin and three Democratic colleagues squeezed their trip into a long weekend. Mr. Levin and Kenneth J.

Gray of Illinois had voted against the President. G. V. Montgomery of Mississippi and George Darden of Georgia support him. All four came back expressing dismay with the Sandinistas and confusion about how to deal with them.

After meeting with Nicaraguan Roman Catholic leaders, Mr. Levin said he could sense "tremendous tension" affecting the church, which owns a radio station and a newspaper that have been shuttered. Political parties are allowed, he added, but opposition leaders say they may not hand out literature or hold outdoor meetings. Recently, some have been arrested.

"I wanted to learn whether a Marxist-Leninist type of government had been put into place," Mr. Montgomery said. "And on this point we all agreed: There is no freedom of the press, there is no freedom of religion, and there are no plans for free elections. It's already another Cuba. Now the question is what we do about it."

Managua seemed "rather spooky," he added, with large areas destroyed in the 1972 earthquake still unrestored. Posters proclaiming the Sandinista revolution, and troops enforcing it, were everywhere. And yet visitors met openly with blunt-speaking dissidents, prompting Mr. Montgomery to say, "They're pretty gutsy." Added Mr. Levin: "They don't think all is lost, but they have less hope than they did a few years ago."

Mr. Montgomery endorsed President Reagan's condemnation of Nicaragua as a "cancer," an "outlaw state" closely allied with the Soviet Union that poses a direct threat to the United States. "Those fellows are really entrenched down there," he said. Mr. Levin was less caustic. "In some respects they are a satellite, and in some respects they are not," he said. "But they are not our friends."

Said Mr. Montgomery, a member of the Armed Services Committee: "I'm willing to help any way we can, short of putting American forces on the ground." American military attachés told

him military advisers are also needed. "They told me it would be shameful to send equipment in without trainers, and I agree with them."

The rebels, based in camps just inside Honduras, make forays into Nicaragua. But Sandinista commandos and helicopters have kept them off balance; Administration officials admit the rebels do not pose much of a threat. It would be "utopia," Mr. Montgomery said, to expect Nicaraguans "to rise up and throw the rascals out." Loyalist troops surround the capital, he said, and the Sandinistas "are going by the book" of Marxist revolution to solidify their power. The best hope, he added, is that the rebels "might be able to harass the Sandinistas enough" to force them to "back off" from repressive policies and from supporting revolutionaries abroad.

Mr. Levin said he voted against military aid in part because of doubts about Mr. Reagan's ultimate objective. "Was it to exert pressure leading to negotiations with the Sandinistas," he asked, "or was it to overthrow them?" He believes diplomatic solutions still need exploring. Before military involvement deepens, he said, the Administration should make a "real effort to see if there is any daylight in negotiations."

But there is disagreement about negotiating goals. The Administration talks of changing Nicaragua itself, while critics like Mr. Levin say they would settle for containing the Sandinistas, removing their foreign advisers and curbing Nicaraguan help for Latin American insurgencies. "Negotiations are probably a long shot, but they're worth trying," Mr. Levin argues. "They remain better than the other alternatives."

Honduras Wants U.S. To Help, But Quietly

HONDURAS relies on United States support to balance Nicaragua's military might, but it is still upset about the way Washington publicized the Sandinista raid last month on Nicaraguan rebel camps in its territory, a senior Honduran official says.

"The United States interest was that this situation have the connotation of an international incident," he said last week. "We had no interest in this."

The official, who asked not to be identified, said Honduras denounced the attack only after the Reagan Administration demanded a public statement to buttress its campaign in Congress for aid for the rebels.

"We can't lend ourselves to a two-hour political debate in Washington that leads us into a confrontation with Nicaragua," the Honduran said. But he expressed deep concern about Nicaragua's military buildup and ideology.

His assertions, which contradicted statements by President Reagan and other United States officials, drew a sharp denial.

The White House spokesman said "the allegations of U.S. pressure" were "not true." He added that the Honduran Government "at the highest levels" had initiated discussions of the "threat of a Nicaraguan attack on Honduras and of a possible Honduran need for emergency U.S. assistance." Mr. Reagan sent \$20 million in aid and helicopters that moved Honduran soldiers near the Nicaraguan border.

Poland's 'Normalization'

Aspiration Gives Way to Apathy

By MICHAEL T. KAUFMAN

COMMUNIST leaders in Eastern Europe usually speak of "normalizing" their countries when they crack down after an eruption from the discontented populace. But "normalization" has worked out differently in Poland than in Hungary or Czechoslovakia.

After the 1956 Hungarian uprising, the restoration of Communist authority was harsh and brutal. Liberals were imprisoned and killed. Young street fighters were jailed until they turned 18 — old enough for hanging. And after Soviet tanks rolled into Czechoslovakia in 1968, Communist liberals were dismissed, often jailed and sometimes forced into menial jobs, their children denied access to higher education and the professions.

But in Poland, even opposition figures acknowledge that the repressions have been relatively limited. A few hundred prisoners are held for expressing their beliefs; a few dozen have been forced from their jobs. Independent unions and social groups have been shut. Thousands of people have been allowed to emigrate.

When the Polish leader, Gen. Wojciech Jaruzelski, speaks of normalization, he means that the Solidarity union has been broken, martial law has ended, apathetic resignation has replaced what Polish leaders regard as unrealistic and dangerous aspirations, that the country must concern itself with economic recovery rather than Communist politics.

If repression in Poland has been less severe than that in Czechoslovakia and Hungary, however, prospects for recovery are also less strong. Hopes for a Hungarian model were recently fanned when Mikhail S. Gorbachev, the Soviet leader, went out of his way to bolster General Jaruzelski, showing him more courtesy than any other Communist leaders at the Soviet Party Congress in Moscow.

Talk of a Hungarian pattern in which faith in Government-backed economic innovations would absorb passions unleashed by Solidarity was heard when Janos Kadar, the Hungarian leader, visited Warsaw after the Moscow congress. But Polish critics dismiss the parallel as fantasy. With the collapse of Hungary's Communist Party in 1956, they argue, Mr. Kadar could build from scratch, while the Polish party remains riddled with conflicts. Poland

has no neutral, developed neighbor, as Hungary has Austria. Poland's population is three times Hungary's, and its strategic position between Moscow and Berlin will always limit Soviet tolerance.

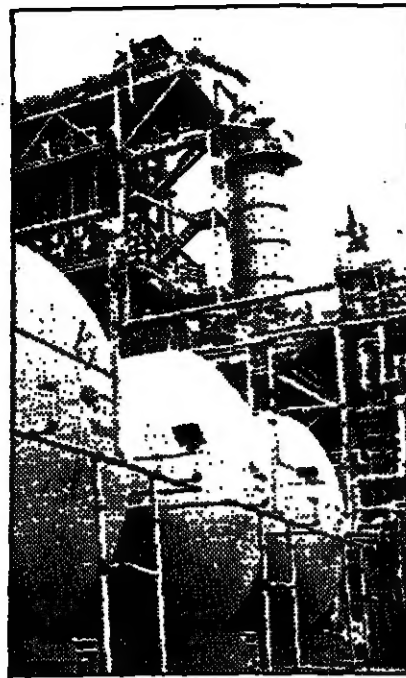
Hardly any Pole envies Czechoslovakia's "normalization," with its curbs on churches and cultural expression. But hardly anyone thinks Prague's prosperity can be replicated in Poland. The Czechs, who had the best factories in the Austro-Hungarian Empire, suffered relatively little war damage. Czechoslovaks had a well-developed work ethic, and have traded mainly with Socialist countries. Poland's debt-ridden, atrophied economy has tried to compete in the West.

If the Russians had intervened directly here as they did in Hungary, said Jacek Kuron, the dissident intellectual, Poland would also have suffered severe repression. "It's not that the Polish Government is more sympathetic," he said. "It's just that they don't have the power to erase the opposition." He added: "But if they really agreed to a dialogue, then the same Solidarity devils would start dancing in the cracks, and they know that."

Mr. Kuron's analysis was largely confirmed by the recent, short trial of Lech Walesa, the Nobel Peace Prize winner and the best-known Solidarity figure. When he challenged the official version of voter turnout in the October parliamentary elections, he was indicted for slandering local election commissions. Bringing the charges, party figures said, demonstrated that "normalization" was so advanced that even the charismatic Solidarity founder could be placed in the dock without provoking complaints. They probably judged the Polish public correctly, but they did not reckon with foreign reaction. "Why should anyone in the West protest the trial?" a Government official asked beforehand. "After all, Mr. Walesa will almost certainly not go to jail and will just be fined."

But diplomats expressed enough concern to make the Polish Government uneasy, and in the end, after Mr. Walesa said he had had no malicious intent, the charges were withdrawn. Not long afterward, officials in Washington said, a special American emissary, former Ambassador Walter J. Stoessel Jr., visited Warsaw to urge the release of political prisoners and improved relations with Polish unions. Conditions for the lifting of remaining American economic sanctions.

The Nation



Sygnia / Allan Tannenbaum
Storage tanks at Union Carbide plant in Institute, W. Va.

Carbide Faces \$1.4 Million Fine For Safety Lapses

While the chemical industry has one of the better employee-safety records in manufacturing, the Reagan Administration has been criticized for failing to regulate it more closely. That criticism grew more heated when the industry — and the Union Carbide Corporation in particular — suffered a major loss of credibility after leaks at Carbide plants in Bhopal, India, and Institute, W. Va. At least 2,000 people died in the Bhopal accident; the Institute leak sent 135 people to the hospital.

Last week, the Administration moved, announcing that the Occupational Safety and Health Administration would seek \$1.4 million in fines, the highest against any company in any business, from Union Carbide for 221 violations of 55 Federal safety and health laws. Carbide's Institute plant, near Charleston, W. Va., is the only one in the United States that makes methyl isocyanate, or MIC, the chemical that caused the deaths in Bhopal in December 1984. The August 1985 leak at Institute, which did not involve methyl isocyanate, prompted a Federal inquiry that led to the sanctions proposed last week.

The safety agency recently reduced from \$32,100 to \$4,400 other fines it proposed to levy against Union Carbide in connection with the Institute leak, because its cause was corrected. The problems cited last week involved other units of the plant which produce other toxic chemicals. The company has said that since Bhopal, it has earmarked \$100 million for safety improvements at its hundreds of facilities. As for the fine proposed last week, Robert D. Kennedy, Union Carbide's president, said, "most of the alleged violations involved paperwork."

Mob Said to Take \$80 Per Capita

In its final report, issued last week, the President's Commission on Organized Crime said the mob would salt away as much as \$75 billion this year, in the process costing the country more than 400,000 jobs (because of reduced competition in several industries) and reducing the income of every law-abiding American by nearly \$80.

The commission, which was formed in July 1983, said state and local law enforcement agencies should be doing more. It urged the states to adopt legislation modeled after the Federal Racketeer Influenced Corrupt Organizations law, which prosecutors use to attack ongoing patterns of corruption. And it criticized the legal profession for not doing enough to root out corrupt lawyers who further the criminal enterprises of the Mafia.

The commission's chairman, Federal Appeals Court Judge Irving R. Kaufman, gave his panel a pat on the back, saying it had "directed its searchlight on a few dark places, which will receive more attention than in the past." More than half the commission's 19 members, in critical supplemental views, suggested that too many dark places had escaped inspection. "Poor management of time, money and staff has resulted in the commission's leaving important issues unexamined," said one group of commissioners.

Damage Award Limits Proposed

In distributing to Federal agencies last week a legislative proposal that would sharply limit the damages citizens could collect from the Federal Government, the Reagan Administration delivered its first response to the crisis that has left manufacturers and municipalities, doctors and corporate directors facing huge bills for liability insurance if they can find coverage at all.

The draft bill would limit to \$100,000 awards for "pain and suffering" and other so-called noneconomic damages that could be collected for injury or death caused by the negligence or misconduct of a Federal employee. It would also impose new limits on legal fees.

Private insurance companies and their customers have often asserted that juries award excessive damages, particularly punitive damages. But lawsuits under the Federal Tort Claims Act of 1946, which the Administration proposal would revise, must be tried without juries, and judges may not order the Government to pay punitive damages.

A recent Administration study of the availability and affordability of liability insurance said there had been an "explosive growth" in damage awards and "massive increases" in private premiums. There was no previous indication that the Government also wanted to protect itself from such suits.

Among the cases officials cited to support a limit on the Government's liability was an order to pay \$1.2 million to the families of three lobstermen lost at sea in a storm the National Weather Service had not predicted. The Government, the judge said, had been negligent in failing to maintain observation buoys.

Reagan Plans to Reform Pentagon

Falling in step with a Presidential commission, the White House announced last week that Commander in Chief Ronald Reagan had decided to give the Chairman of the Joint Chiefs of Staff more firepower. And in his radio address yesterday, the President urged Congress to approve legislation needed to expand the chairman's role and to establish a new position, that of Under Secretary of Defense for Acquisition, who would oversee — and presumably make less wasteful — the way the Pentagon designs and buys weapons.

Mr. Reagan was accepting the most important recommendations of a bipartisan commission headed by David Packard, a business executive who was Deputy Defense Secretary in the Nixon Administration. A White House spokesman said the Administration was mindful of "the need to move quickly and decisively." It appeared as well to be recognizing the inevitable: many of the commission's recommendations, presented in February, are included in legislation overwhelmingly approved by the House and soon to be taken up by the Senate.

The General Accounting Office, meanwhile, provided more ammunition for Congressional critics who maintain that, despite Administration disclaimers, the Pentagon's budget is laden with fat. The G.A.O. contended last week that the military is overstaffed for many jobs. The study confirmed past recommendations that more of the military's expensively trained personnel be assigned to combat units and more behind-the-lines desk work left to civilians.

Responding for the Pentagon, Chapman Cox, an Assistant Secretary of Defense, called his department "a leader among Federal Government agencies in using effective industrial engineering techniques to identify manpower requirements."

U.S. Restricts Aid For Alien Housing

Saying that it was responding to complaints that bona fide Americans are being crowded out of subsidized housing, the Government ordered last week that local authorities end all Federal housing assistance for illegal aliens.

The directive, issued by the Department of Housing and Urban Development, applies to the more than 10 million people living in 4.2 million units of assisted housing. Under the rule, which takes effect July 30, local administrators are to evict the illegal aliens among them who cannot pay unsubsidized rents. In the future, applicants for Federal housing subsidies will be required to present documents such as birth certificates or alien registration cards to demonstrate eligibility.

The department, which noted that similar restrictions are in effect for recipients of other types of Federal assistance, including food stamps, said the rule is intended "to reserve scarce housing assistance resources for persons with the most legitimate claim, namely citizens and other persons lawfully present in the United States."

Officials said they had no estimate of the number of illegal aliens who received Federal housing aid. Wade J. Henderson, a lawyer with the American Civil Liberties Union, questioned the need for the rule, charging, "there have been no hearings to demonstrate that public housing is being overrun by undocumented aliens."

Michael Wright
and Caroline Rand Herron

Alabama Has Finally Outlived Him

The Moderation of Gov. Wallace



'We were wrong, and we live in a new day, and the issue now is to look forward.'
George C. Wallace

tion tomorrow! Segregation forever."

Comments made during his "stand in the schoolhouse door" in 1963 at the University of Alabama:

"Alabama is winning this fight against Federal interference because we are awakening the people to the trend toward military dictatorship."

Campaigning for President, 1964:

"Northern hypocrisy is a problem that must be contended with. What is termed a race riot in the South is called civil disobedience in New York or Chicago."

Campaigning for the White House in 1968:

"Now what are the real issues that exist today in these United States? It is the trend of the pseudo-intellectual Government, where a select, elite group have written guidelines... looking down their noses at the average man."

"If we were President today you wouldn't get stabbed or raped in the shadow of the White House, even if we had to call out 30,000 troops and equip them with two-foot-long

bayonets and station them every few feet apart. If you walk out of this hotel tonight and someone knocks you on the head, he'll be out of jail before you're out of the hospital, and on Monday morning they'll try the policeman instead of the criminal."

On the Presidential campaign trail again in 1972:

"This senseless business of trifling with the health and safety of your child, regardless of his color, by busing him across state lines and city lines and into kingdom come has got to go."

From interviews in 1975:

"I may be sick on one end, but some of the folks that have been running this country in the last number of years have been sick on the other end, and I don't know but what that's worse than being sick on the leg end, frankly."

"The Democratic Party in the South is doing right well locally. It's been that bunch of foolish, ivory-tower pointed heads in the national party who let it be taken over by folks who couldn't get elected dog catcher."

In 1975, as he announced another run for the Presidency:

"The social and economic issue on the domestic scene is whether the great mass of middle-class Americans is able to survive economically in this country."

Recalling his early political rhetoric during a 1979 interview:

"I was not an enemy of blacks in those days. I was the enemy of the Federal Government, big government. It was very unfortunate that it involved race when we raised those issues. I wouldn't know how to live where there were not black people. The country would be strange to me."

On the 20th anniversary of his "stand in the schoolhouse door":

"We were wrong, and we live in a new day, and the issue now is to look forward and to make this country stronger."

From his 1983 inaugural address:

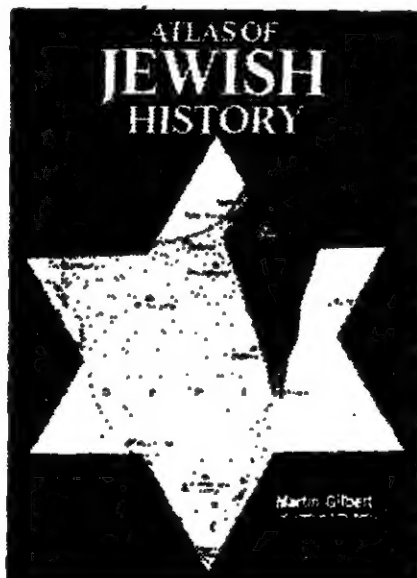
"Destruction of their control over their own destiny will lead directly to revolution and anarchy and finally to despotism and military domination. This is not theory but truth."

Last week in Montgomery, as he announced he would not seek re-election:

"These five bullets gave me a thorn in the flesh as they did to the Apostle Paul. And I prayed that it should be removed, but it was not."

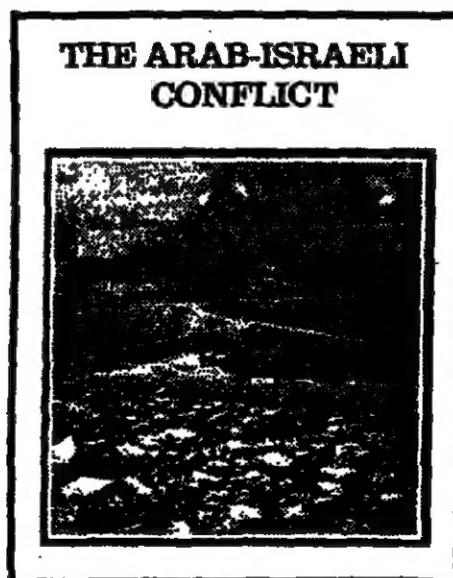
★ JEWISH HISTORY IN MAPS ★

Three important atlases by historian Martin Gilbert



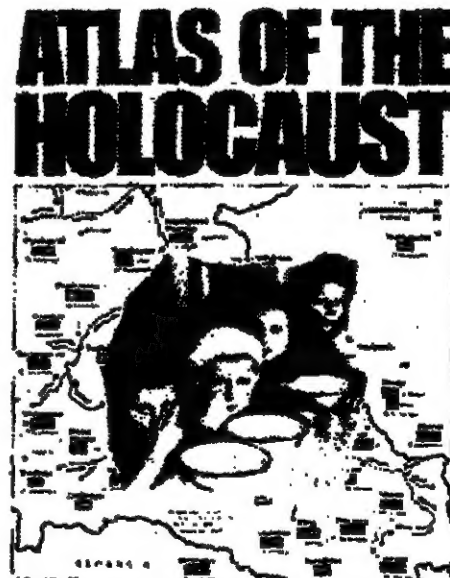
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A Canadian Raider Does It Again

Sam Belzberg says he'd rather own than raid companies. But his Ashland bid raises doubts.

By JOHN CRUDELE

ONLY a month ago, in an interview conducted in his Park Avenue office, Samuel Belzberg, one of Canada's wealthiest and most controversial businessmen, was lamenting his reputation as a corporate raider — a raider who accumulates stock in a company, threatens a takeover and then sells back the stock to the threatened company for a plump profit.

That characterization, said Mr. Belzberg, the most visible of the three Belzberg brothers of Vancouver, British Columbia, is inaccurate and unfair. He has purchased stock, he says, when he liked a company and has sold it back only because management insisted, refusing to listen to the family's strategic plans for the company. "I don't understand why managements that pay the greenmail aren't criticized," he said.

In the family's view, Scovill Inc.'s management did not act unreasonably, and the Belzbergs last year acquired the Connecticut maker of Yale locks, Hamilton Beach appliances and other consumer products.

There may be more acquisitions soon, said Mr. Belzberg. Talking at length on the subject, he suggested that Scovill may be the start of a Belzberg industrial base in the United States, expanded on with another purchase — or two or three. Talks, he said, were underway with several businesses that fit well with Scovill's.

But, suddenly, last week, Mr. Belzberg was being tagged a greenmailer again by some on Wall Street. The Canadian financial guru and his family got into a takeover skirmish with Ashland Oil that left the Canadians \$14 million richer and the Kentucky refiner intact. Mr. Belzberg was disappointed: "We did not accomplish what we set out to do," he said after the drama ended.

Although the Ashland bid, made through the Belzbergs' First City Financial Corporation, first surprised Wall Street, it soon looked all too familiar to those who hold the Belzbergs in low esteem.

The move came six months after a similar Belzberg incident involving the Potlatch Corporation, a San Francisco-based wood products company. After rejecting a buyout bid from the Belzbergs, Potlatch bought the family out. Over the past few years, in fact, the Belzbergs, who now control more than \$8 billion worth of assets — which puts them in the big leagues of wealthy families like the



Samuel Belzberg, financial guru of the Canadian Belzbergs.

Pritzkers of Chicago — have taken a number of runs at U.S. companies, big and small: Blue Bell, H. H. Robertson, U.S. Industries, Masonite, Bache, and, with T. Boone Pickens, Gulf Oil. Each time, the Belzbergs have been fought off or bought off. Most times they came away with their pockets bulging.

Mr. Belzberg says he genuinely wanted Ashland because it has some good businesses, including chemicals and construction, and because oil's falling price is "a good thing for the refining business." But sources close to the family say it was especially at-

tracted to Ashland because it considered its stock price undervalued. The company certainly failed to offer the fit with Scovill that Mr. Belzberg said he was seeking a month ago. "It's not a fit, that's obvious," said one source when the family made public two weeks ago that they had amassed a chunk of Ashland stock. The Belzbergs paid no more than \$45.37 a share. Ashland paid them \$132.6 million, \$51 a share, for their 2.6 million shares and a promise to leave the company alone for 10 years.

Belzberg views himself as a merchant banker who 'takes advantage of situations and opportunities.'

others, would presumably attract investors interested in backing friendly takeovers in the United States — and, he says, maybe in Canada.

But his plan to buy the nation's largest independent refiner was thwarted, says Mr. Belzberg, by insurmountable roadblocks. Hours after Ashland officials finally contacted the Belzbergs early last Monday morning to suggest a meeting, the Kentucky legislature passed a bill designed to protect Ashland, the state's largest employer. The law would have prevented anyone owning 10 percent of a company's stock from buying more shares for five years. The Belzbergs owned 9.2 percent.

Then Ashland's board threatened to initiate a tender offer to buy back stock that would have excluded the stock held by the family, according to sources close to the talks. "Our lawyers and investment bankers suggested it would be a very, very long, ugly fight. We didn't think it was

worth it in this part of our careers," he said. A source at Drexel Burnham Lambert Inc. confirms that it advised the Belzbergs that the new law could prevent them from raising the funds needed for Ashland.

But on Wall Street last week, skeptics questioned just how insurmountable the obstacles were to a takeover. One expert chuckled that "a \$100 lawsuit" could have nullified the Kentucky legislature's action. The exclusionary tender offer, too, was on precarious legal ground, they say.

Some on Wall Street made money on the skirmish — especially if they sold before the stock plunged, just prior to and after the Belzberg buy-back. Others did not do so well, but skepticism — based in large part on Mr. Belzberg's reputation as a raider — may have stopped some speculators from taking a bath. "The Belzbergs have a history of greenmail; that means all their deals should be approached cautiously," said Michael Sofia, first vice president of retail risk arbitrage at E.F. Hutton & Company. "That's what we did."

Even so, the mysterious Canadians, especially Sam Belzberg, have their admirers — particularly on Wall Street, where tough players like the Belzbergs are often seen as providing a service of sorts to shareholders of corporations whose managements fail to restructure when necessary.

The Belzbergs are also considered astute businessmen by many analysts, some of whom were baffled by the family's stated desire to own an oil refiner. With gasoline prices falling, the Belzbergs' proposed purchase of Ashland at \$80 a share, or \$1.8 billion, seemed overly generous to them. "Given a choice of buying a refiner and marketer at the top of the cycle at a big price, or selling out at a profit, I think they did the intelligent thing," said Lincoln A. Werden Jr., who follows Ashland for Thomson McKinnon Securities Inc.

Some say the family stumbled in paying \$523 million for Scovill last year. Even Scovill executives say the Belzbergs were too enthusiastic. "They probably paid more than they should have," said Robert Hager, former treasurer. "But they did go through a legitimate, competitive bidding process and offered what they thought would be a fair and top price."

From the start, says Mr. Hager, Scovill officials knew the Belzbergs would have to sell some Scovill businesses to reduce the debt load incurred during the buyout. Some present and former executives say the process has been relatively painless, but it has reportedly strained relations with some old-time employees.

The Belzbergs recently named 66-year-old Richard E. Bennett, formerly with the family's First City Capital Corporation in New York and a retired vice chairman of the ITT Corporation, to succeed William F. Andrews as head of Scovill. Mr. Andrews' departure is said to be amicable. About the divestitures, he said: "They are doing what has to be done. That's not to say I want to do it."

August, the Congressional Budget Office foresaw a baseline budget deficit rising from \$212 billion in 1986 to \$285 billion in 1990. In the February 1986 projection, the 1990 deficit estimate had been reduced by 60 percent, to \$120 billion — and this result would arise even without future Draconian Gramm-Rudman cuts.

According to the budget office, even without any policy changes, the fiscal drag (or reduction in stimulus from the budget) will be about \$30 billion over the next two years.

This fiscal drag could not come at a better time. Everyone agrees that we must trim our fiscal sails, and what better time than when dollar, oil and monetary forces are providing a healthy push to the economy?

What lies downwind of these four converging zephyrs? I believe that the American economy will soon weigh anchor on a record-breaking economic expansion.

Inflation has been vanquished by the austere policies of the last decade. Moreover, the country faces no immediate danger of overheating, given the ample slack and the prospect that the deflation from oil prices will approximately offset the inflation from the dollar.

But the net effect of the four forces on output and employment will be strongly expansionary. If we sum the total impact of oil, the dollar and monetary and fiscal forces, we find a total of \$120 billion to \$170 billion in expansionary spending — a boost equal to 3 to 4 percent of the gross national product. Although the economy currently sits becalmed, it is a good bet that expansionary forces will soon push economic growth rates up sharply and that the unemployment rate will begin to fall.

OF COURSE, no one can guarantee a safe voyage, for in economic affairs shifting winds can throw even the sturdiest economy off course. It is a safe bet that at some point over the next year, the Federal Reserve will divine inflationary squalls ahead and lean against the prevailing winds.

But for now we can postpone such gloomy thoughts and bask in Prosperity's smile. After a decade of turbulent economic weather we can thank our stars that fickle Fortune sometimes brings in boats that have no helmsman.

The Economy

هكذا من الأصل

WEEK IN BUSINESS

Comments by Bush Rally Oil Markets

Vice President Bush indicated he would tell Saudi Arabia that action was needed to halt the precipitous drop in oil prices. He hinted that the United States was willing to work with the Saudis to that end, although talks with OPEC are not likely. His remarks caused a furor in the rest of the Administration, which scrambled to attempt to reassure the Saudis and other oil producers that there had been no change in the stated policy of letting the free market control prices. But some analysts said Mr. Bush would not have spoken out so strongly unless there was some backing to his remarks. Indeed, the Administration's statements lately seem to address the problems, rather than the benefits, of the price drop.

The oil markets stabilized as a result of Mr. Bush's remarks. Prices dipped below \$10 a barrel on spot markets, but recovered to about \$12.

The jobless rate dropped slightly in March, to 7.1 percent overall, after jumping to 7.2 percent in February. The slight improvement showed the strong effects of the oil price drop on energy-dependent states, where much of the February jump was concentrated, and indicated that the economy remains sluggish. Sales of new homes fell 3.8 percent, but analysts see a spring rebound. Construction spending rose 1.2 percent in February, the third consecutive increase, fueled by home building. But factory orders fell 1.4 percent, due mainly to the volatile military segment.

Banks could cross state lines more easily to acquire other banks if Federal regulators have their way. Responding to the oil price drop, which has endangered many energy-dependent banks in the Southwest, the regulators are asking Congress for broader authority. Although big banks have been seeking such a move, regulators say they are responding to the needs of the smaller banks, not to lobbying pressure.

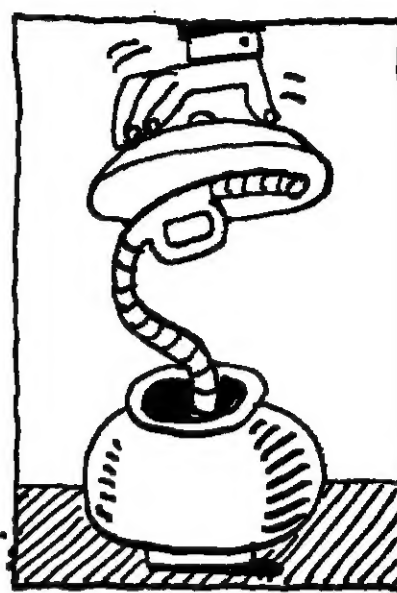
European currencies are in for realignment. News of the meeting of finance ministers of European Monetary System — to devalue the French franc against the seven other currencies — virtually halted trading in those currencies Friday.

The Group of Five industrial nations will meet this week. Two previous meetings resulted in drops in the dollar and interest rates, and Treasury Secretary James A. Baker 3d said he favors further such collaboration.

President Reagan threatened to impose special import taxes on many products from the Common Market unless the Common Market lifts its subsidies, which the President says hurts American exports of grains, corn and other agricultural products.

A new British tax has broken there up in arms. The levy on American Depositary Receipts — shares of British companies that are traded in the United States — will drive away American investors, the brokers say.

Japan's economic future should in-



Stuart Goldenberg

clude more spending at home, especially on imports, and less dependency on exports, an advisory council said. The United States has been seeking such commitments for years.

Stocks took three 20-point dives on program selling by big investors, leading to a loss for the week of a record 82.5 points and a close of 1,739.22. Bond prices also retreated. M-1 rose \$1 billion.

Ashland Oil emerged victorious from a battle with the Belzberg family of Canada by agreeing to repurchase the Belzberg's 9.2 percent stake. The company said that it was not paying "greenmail," although the Belzbergs' profits came to about \$14 million. Ashland will also buy back about 27 percent of its shares.

Hiram Walker took steps to fend off another Canadian family, the Reichmanns. Walker agreed to sell its crown jewel liquor business to Allied-Lyons for \$1.9 billion, and the Toronto Stock Exchange postponed the Reichmann offer so it would begin at the same time as a competing one from Fingak. But the Reichmanns came back with a sweetened \$2.1 billion bid.

Imasco is ready to buy Canada Trustco Mortgage, a unit of Genstar, for \$1.9 billion. But Imasco, Canada's biggest cigarette producer, apparently has set its sights on all of Genstar, and has structured the Trustco deal in hopes of attaining that goal.

Lee A. Iacocca got \$1.6 million in salary and bonuses from Chrysler last year, and has made a \$15.5 million profit on stock options in the past five years. Executive bonuses at car makers have come under fire in recent years, and Ford has said it would amend its bonus plan to concentrate on longer-term compensations.

I.B.M. introduced its long-awaited lap-top computer, the PC Convertible, which can be converted for desktop use. Analysts say it could lift I.B.M.'s sagging computer fortunes.

Esquire's partners are splitting up. The magazine group will go to Phillip Moffitt; Chris Whittle will get the specialty magazines and newsletters.

On the Eve of a Historic Economic Boom

By WILLIAM D. NORDHAUS

JUST a year ago, most economists fretted that the American economy was headed for shipwreck on the reefs of budgetary and external deficits. Yet today, thanks to favorable trade winds, skies look brighter as the economy gathers steam for a sustained and powerful boom.

Four factors have turned the economic tide — the falling price of oil, the declining dollar, the euphoria in financial markets and a restructured Federal budget.

Oil, oil, everywhere. Oil price movements have dominated the economic environment for over a decade. They jumped from \$3 a barrel in 1973 to a high of \$35 in 1981, followed by a drop to around \$12.50 a barrel today. Real, or inflation-corrected, oil prices (see chart) are now near their lowest point since World War II. For now, the energy Cassandras have been routed from the field.

Falling oil prices will benefit both inflation and output, the first effect coming as falling energy prices trim at least 2 percentage points from inflation rates during 1986 and 1987.

The impact of oil prices on output is more subtle. The price drop acts like a cut in sales taxes on consumers and domestic companies amounting to \$75 billion (\$15 a barrel times five billion barrels a year), combined with a \$75 billion tax increase on oil producers.

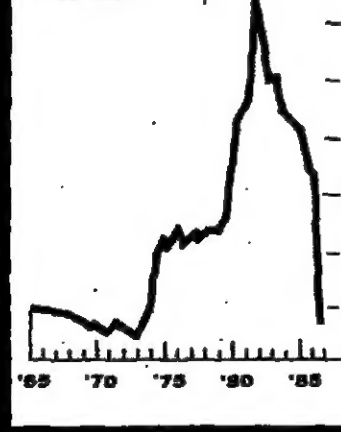
In response to their "tax increase," oil producers will cry alarm and curtail oil production and exploration, and oil-producing regions will suffer an acute recession. (Those who remember the Texas bumper stickers of the 1970's — "Let the Yankees freeze in the dark" — might smile wryly at the reversal of fortunes.) The effects of the invisible "sales-tax cut" will emerge in the coming months as consumers accelerate spending.

What is the likely net effect of the two "tax" changes? Judging by history, the sales-tax effect will ultimately dominate, and the oil-price decline is likely to be the equivalent of a \$50 billion tax cut over the next two years.

• The dollar. The receding dollar

The Real Cost of Oil

In 1985 dollars a barrel; adjusted for inflation using the Consumer Price Index



has given a second favorable lift to the economy. After rising by 70 percent from 1980 to early 1985, the dollar has fallen 30 percent from its unsustainable pinnacle of last spring.

The ebbing dollar will push up consumer prices substantially. As import prices rise, inflation will be boosted by around 1½ percentage points over the next two years.

Paradoxically, the dollar's drop will provide a substantial boost to real economic activity. Why so? As import prices rise, Americans will substitute domestically produced goods — cars, steel, wine — for foreign ones. Similarly, as American producers become more price competitive, export orders for goods like soybeans, aircraft and machinery will climb sharply.

While the net effect cannot be exactly gauged, the dollar's decline might well add the equivalent of \$50 billion in increased spending over the next few quarters.

• Monetary policy. By loosening the noose of tight money, the Federal Reserve has unleashed a stampede in financial markets. Stock prices have risen by a third in the last year, while long-term bond yields have fallen by an astounding 4 percentage points.

The magnitude of the bull market is shown in the accompanying figure, which displays the real cost of capital. This concept measures a weighted average of the interest rate on long-term bonds and of the yield on

common stocks, after both have been corrected for inflation.

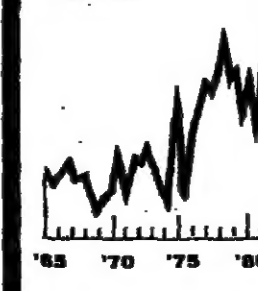
After fluctuating around 4 percent since the 1950's, the cost of capital shot up after 1975 to over 10 percent. Little wonder that housing and fixed investment were in the doldrums.

Over the last two years, with easier money and the stock market boom, the cost of capital dropped to 6 percent a year — the steepest fall of the last quarter century. Cheaper capital will have profound impacts: Governments here and abroad will bear lighter debt burdens; consumers will splurge with their capital gains; households and businesses will confidently lay down funds for new houses, plant and equipment.

Estimating the quantitative impact of the declining cost of capital is notoriously hazardous to the wealth of

The Real Cost Of Borrowing

Real cost of capital before taxes, in percent. Based on a 50:50 mix of stocks and bonds; adjusted for inflation using the Consumer Price Index



forecasters. Based on past experience, expect that lower capital costs will spur consumption and investment by \$50 billion to \$100 billion over the next two years.

• Fiscal policy. Even the supply-side apostles have been surprised by the country's recent conversion to old-time budgetary religion. Congress has recently put a tuff in the military buildup and launched the first Gramm-Rudman cuts, drastically altering the budget outlook.

How large are these changes? Last

The New York Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED APRIL 4, 1986 (Consolidated)				
Company	Sales	Last	Net Chng	
Wk H Rs	17,117,400	26	+ 1%	
IBM	9,785,200	148 1/2	-	%
AT&T	9,751,900	22	-	%
Genel	9,489,800	40 1/4	-	%
Bell Sou	8,735,000	52	- 1%	
Sperry	7,462,900	51 1/4	+ %	
Phil Pi	6,892,600	10 1/4	+ %	
Mobil	6,729,400	29 1/4	+ %	
K mart	6,722,300	45 1/4	+ 2	
Prime C	6,284,200	18 1/4	- 5	
Ill Pow	6,213,900	27 1/4	- 1%	
US Steel	6,139,700	21 1/4	- 1%	
G Mot	5,879,700	80	- 8	
Det Ed	5,822,400	18	- 1%	
Aeln Lt	5,616,000	63 1/4	- 1%	

Standard & Poor's				
400 Indust	264.5	252.1	252.6	-11.21
20 Transp	218.8	202.2	202.5	-14.78
40 Util	105.6	101.0	101.1	-3.21
40 Financial	31.2	29.3	29.3	-1.75
500 Stocks	239.8	226.3	226.8	-10.28

The American Stock Exchange				
Company	Sales	Last	Net Chng	
Wickes	5,454,500	5%	- 1/4	
Wang B	2,870,800	18%	- 1%	
BAT In	2,268,000	5%	- %	
DomePet	2,015,100	14/16	+ 1/16	
Lorimar T	1,843,600	26	- 1/4	
FTCap Hldg	1,140,300	12%	+ 3/4	
Tex Ar	920,700	30%	+ 1	
Ozark Hldgs	835,500	16%	- %	
AM Internt	783,800	7	- %	
KeyPharm	763,100	16%	- %	

MARKET DIARY				
Advances	Declines	Total Issues	New Highs	New Lows
667	1,407	2,252	487	43
1,187	835	2,236	487	33

MARKET DIARY				
Advances	Declines	Total Issues	New Highs	New Lows
337	391	401	141	923
117	141	923	105	18

WEEK'S MARKET AVERAGES				
High	Low	Last	Net	Chng
157.7	150.9	150.9	-6.48	
133.0	123.2	123.2	-9.33	
69.9	67.7	67.7	-1.43	
157.2	150.5	150.5	-7.07	
138.0	132.2	132.2	-5.40	

New York Stock Exchange				
Indust	157.7	150.9	150.9	-6.48
Transp	133.0	123.2	123.2	-9.33
Util	69.9	67.7	67.7	-1.43
Finance	157.2	150.5	150.5	-7.07
Composite	138.0	132.2	132.2	-5.40

VOLUME				
(4 P.M. New York Close)	Week	Last	Year	To Date
Total Sales	742,835,080	9,801,704,455		
Same Per. 1985	373,960,880	7,398,631,980		

VOLUME				
(4 P.M. New York Close)	Week	Last	Year	To Date
Total Sales	62,597,275	876,349,359		
Same Per. 1985	30,506,230	609,034,585		

William D. Nordhaus is professor of economics and a fair-weather sailor at Yale University.

The New York Times

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A Novel Strain of Recklessness

The dazzling new techniques of genetic engineering have been safely practiced behind laboratory doors for a decade. But now that engineers are getting ready to release the first genetically altered agricultural organisms into the environment, they have stumbled badly. The problem lies not in the technology but in the deceit and recklessness of some early practitioners.

One offender is a company, Advanced Genetic Sciences of Oakland, Calif. Last November it received the first then-known Federal permit to test a genetically engineered organism outside greenhouse walls. The organism is a highly useful bacterium designed to deter frost on crops like strawberries. But the manufacturer tested outside before receiving the permit, and failed to report damage to trees noticed in the illicit tests. The Environmental Protection Agency last month withdrew the permit and fined the company \$20,000.

A second offender, even more arrogant and irresponsible, is a Government agency — the Department of Agriculture's Animal and Plant Health Inspection Service. Without consulting any of the Federal agencies assessing the scientific problems of environmental release, the agency has quietly permitted a Nebraska company to test — and market — a live, genetically altered herpes virus used as a vaccine for pigs. When a private company is rebuked and fined for testing without proper review, why should the Animal and Plant Health Inspection Service be free to write its own rules?

The Service says there was no need to consult others because the vaccine was safe. That misses three points. First, there is no way to predict what will happen when a new organism enters an environment. Most novel organisms perish, but some run riot and become pests. The Inspection Service should know; its prime purpose is to prevent such pests from entering the country. Genetically engi-

neered organisms are novel to all environments, and deciding on the rules for their release is a complex scientific issue which the Inspection Service lacks the competence to decide by itself. A recent report by the Environmental Protection Agency of its guidelines for all agencies to follow.

The Inspection Service's second error is to believe that the virus must be safe because the genetic engineering consists of removing a gene from it, not adding a new one. But the same is true of the much-debated frost-retarding bacterium. The issue is that deleting a gene to remove a visible adverse property may change an organism in other, unknown ways, since some genes have more than one effect.

The Inspection Service's worst error is one of judgment. In all probability the altered virus vaccine is entirely safe. What an excellent test case, therefore, as the first genetically engineered organism to be released. If the Service had secured full review from the Agriculture Department's own committee on genetic engineering, as the department promised a House committee last November, the new technology would have gotten off to a secure and credible start.

The Foundation on Economic Trends, an unremitting watchdog of genetic engineering, deserves credit for bringing to light these two cases and what they show about the ragged Federal system for regulating the new technology. The system fails to protect the public — and its delays and inconsistencies sorely try the new industry.

E.P.A.'s new guidelines, and a bill by Representative Don Fuqua of Florida to assure uniform regulation by different agencies, should help overcome the protracted confusion in Washington about the engineering of life and the environment.

Anything for a Butt

The tough antismoking laws proposed by Mayor Koch have left some New Yorkers looking for reasons to object. But nobody's straining further than the people at Philip Morris. In an essay prepared for readers of the city's black newspapers, Guy Smith, a vice president, says the antismoking bill "has serious implications for the metropolitan minority community."

How so? "A law that would segregate smokers and non-smokers in the workplace would also provide a perfect backdrop for employers who wish to discriminate against minority employees."

And how is that? Because "more blacks smoke than whites, it is not very difficult to imagine a situation where an employer would overlook a black worker in line for a promotion on the basis that the new job would require him or her to supervise employees in the non-smoking area."

A black employee missing out on a job because he's more apt than a white to be a smoker turns out to be only one of Philip Morris's disaster scenarios. In further explanation of his views, Mr. Smith conjures up a vision of white masters enjoying the

fruits of discrimination — that is, a cigarette — while their wage slaves are left starving for a butt.

"Under the proposed legislation," he says, "smoking is generally prohibited in open areas but not in private offices. Most of the people who sit in private offices are white males — and those in open areas are black and Hispanic." That most people of any race are nonsmokers and likely to be grateful for no-smoking areas seems of no interest to Mr. Smith. Philip Morris isn't calling on logic to defeat an antismoking bill. It is calling on racial fear and resentments.

Black smokers are indeed a valuable part of the cigarette market, and black men have the lung cancer rate to prove it. It is rising just as the rate for white men has dropped significantly. Still, the Mayor's proposed rules don't prohibit smoking. They simply spell out where nonsmokers can find clean air, and where smokers can puff in peace.

Mr. Smith's two scare scenarios are, as he says, not difficult to imagine; nothing is unimaginable. Even so, who would have imagined that Philip Morris would go to such lengths?

Good Start in the Philippines

Cries of "dictator" have greeted President Corason Aquino's proclamation of an interim Philippine regime in which she will exercise legislative as well as executive powers. But the outcry comes from a discredited National Assembly whose majority only recently anointed Ferdinand Marcos after a fraudulent vote. That Assembly found nothing to protest in Mr. Marcos's usurpation of legislative powers in 1972. These born-again democrats are lamenting loss of office, not freedom.

Mrs. Aquino's extraordinary path to power does raise risks. She, too, is vulnerable to delusions of infallibility, fed by favor-seekers in a narrow elite. But she promises legislative elections within a year under a constitution to be submitted to the voters. Meanwhile, her powers are hedged by a bill of rights, a reinvigorated judiciary and a viable free press. Of the available choices, her one-year interim rule seems best.

She now has the power to modify or repeal decrees, revoke contracts and control local government. Retaining the Marcos constitution, as urged

by the Assembly's majority, would have perpetuated the ways of a corrupt regime, and left in place the Marcos warlords and bagmen who retained their seats in a rigged 1984 election. Calling an immediate election would have obliterated the old dictator's party before a credible democratic alternative could arise.

Mrs. Aquino's harder task will be to retain the public's confidence as the exhilaration of a nonviolent uprising ebbs. Her difficulties are illustrated by disclosures that her Finance Minister and adviser, Jaime Ongpin, may have had compromising business ties with Marcos cronies. Her proclamation sets an ambitious interim agenda: wiping out "iniquitous vestiges" of the Marcos regime, reviving a stalled economy, assuring respect for human rights and ending a Communist insurgency.

As she tackles this agenda, President Aquino needs American support without too much second-guessing. She wants to put persuasion before force in coping with the New People's Army and has earned the chance to try it her way.

Topics

In the Driver's Seat

Two Stars

France's two-headed Government will debut on the world stage next month when President François Mitterrand and Jacques Chirac, the new Prime Minister, attend the economic summit meeting in Tokyo together. The agenda for the annual gathering of Western and Japanese leaders already overflows with contentious issues, from terrorism to trade wars. But first someone must decide not only who speaks for France but who eats for France.

Dinner sessions at past summits have been limited to the chief delegates. Is that Mr. Mitterrand, the Socialist head of state who also controlled the Government until his party lost its majority last month? Or

Mr. Chirac, the leader of the new conservative majority who now heads the Government?

Customarily, chief-delegate status goes to the person who really runs the show back home. Britain's, for example, is Prime Minister Thatcher, not the Queen. But Mr. Mitterrand and Mr. Chirac say they are still trying "cohabitation."

So whose name goes on the place card? Obviously, this issue is too delicate for mere high officials. Why not ask the kitchen cabinet?

Cherchez La Femme

To remember the 50's is to remember Elvis Presley, boomerang-

shaped coffee tables, crinoline petticoats, Gloria Grahame, the rise of split-level ranch homes and the smell of scorched meat arising from the barbecues in the yard behind them. For a lucky few people, it is also to remember La Femme.

La Femme, recalls an article on women and cars in *Across the Board* magazine, was Chrysler's 1950's bid for the female market. It came in pink or lavender, had chintz curtains and a matching umbrella, and didn't sell.

So extraordinary an artifact deserves to be seen again. Would whoever is plotting the next movie to be set in the 50's — "Back to the Future, Part II," maybe — please include a scene for La Femme?

Letters

Participatory Democracy Engenders Strange Results

To the Editor:

The victory of two Lyndon B. LaRouche Jr. candidates in the Illinois primary election is described in a headline as "strange results" (Week in Review, March 23). They are not as strange as they seem and are actually to be expected in a political climate that appears to eschew representative democracy in favor of direct democracy.

This country was designed to function as a representative democracy, that is, a system in which political decisions are made by the elected representatives of the people. This is the reason for having such devices as the Electoral College instead of direct election of the President. In most modern democracies, a political party presents a slate of candidates to the voters, and the leader of the party is chosen by the members of that party who have been elected to parliament.

However, in the last 20 years, we in this country have come to believe that representative democracy is somehow "undemocratic." We feel that the system is more democratic if the candidates themselves are chosen by the people. The Illinois results are a consequence of this type of thinking, and it is ironic that it is happening to the Democratic Party.

After the Democratic National Convention in Chicago in 1968, the party appointed the McGovern-Hughes Commission to suggest reforms that would make selection of Presidential and other candidates "more democratic." The results of these reforms were to turn the party away from a representative system tainted by association with "smoke-filled rooms" to a system in which political decisions are decided by referendum. This is part of the reason why the results of the primary elections are now binding, which they were not in the past.

If we are going to let voters make all our decisions, then we are going to have to expect more results like those in Illinois. A representative system is not immune to such fiascos, but it has the built-in safeguard of being able to offer only safe choices to the voters. If the political parties continue to shun political decisions under the rubric of participatory democracy, we may be in for many more strange results.

CHARLES T. GRANT
Minneapolis, March 31, 1986

Primaries by Lot

To the Editor:

Your article on Presidential primaries in the Week in Review (March 23) quotes me as saying, "Why should states in the South continue to see early events shape the Presidential nomination battle as they sit on the sidelines?" This might give the impression that I favor super regional primaries. But I do not.

The quotation is from my testimony before the House Administration Subcommittee on Elections, in which I advocated creation of six scheduled primaries as an alternative to regional primaries. Under my plan, all state primaries and caucuses would be held on six selected dates between March and June. One state — or in the case of states with smaller populations, paired states — from each of six divisions of contiguous states would be selected by lot to hold Presidential nominating contests on one of the six specified dates.

As I testified, under the current system those Southern states working to create their own Super Tuesday are simply doing what is very much in their self-interest. What we need is a system that guarantees everyone's self-interest. With an interregional primary and caucus plan, no state or region would dominate the primary



process by virtue of always being first. Geographical representation would be assured, and all states would be guaranteed a turn at going first.

Hagia Sophia Proposal Offensive to Moslems

To the Editor:

I wish to respond to Peter Tapke's proposal ("Restore Hagia Sophia for the Bimillennium," letter, April 2) that Hagia Sophia in Istanbul "be restored and consecrated in its interior as a Christian church" on the occasion of Christianity's approaching 2,000th anniversary, with the funds for interior restoration to come from friendly Islamic nations.

While this proposal is, no doubt, offered with the best of intentions, it can only be seen as, at best, a slight and, at worst, an insult to the Turkish people, the overwhelming majority of whom are Moslems.

Mr. Tapke should perhaps ponder two questions:

• How would a proposal to return the great mosque in Cordoba, Spain, to Moslem worship be greeted in the West?

• How much would friendly Christian nations contribute to the removal of the interior Christian fittings (e.g., the altar) of Cordoba so that they could be reverently placed in an adjoining building and replaced by Islamic relics?

Furthermore, the notion that Istanbul "might reap the economic benefit of millions of Christian tourists in the bimillennial year" is an attempt to support a religious argument with the promise of material benefit — an insult to Christian and Moslem.

Hagia Sophia is important to both faiths. As a museum it can be visited by all without constraint. Let it be kept that way.

EDMUND G. RANALLO
Brooklyn, April 2, 1986

Europe Consistent on Intermediate Forces

To the Editor:

While Graham T. Allison and Albert Carnesale may be correct in arguing that our European allies generally oppose changes in the status quo ("Is Europe Contrary?", Op-Ed, March 28), their use of intermediate-range nuclear forces to "illustrate their point is misleading."

Their argument that "whatever the initiative, Europeans initially oppose it" is untrue for intermediate-range forces. It was European leaders who identified the imbalance between North Atlantic Treaty Organization and Soviet intermediate-range forces as a problem and European defense officials who surprised a reluctant Carter Administration by insisting new weapons be deployed.

The record could equally support an argument that this issue has been characterized by American contrariness and European consistency. Washington, after first downplaying the need for new intermediate-range forces and then becoming adamant that such weapons were vital to NATO's cohesion and security, is now returning to the position that the alliance can get along well without them.

In contrast, the European allies have consistently advocated measures, such as the intermediate-range forces, that would create closer coupling between U.S. and European security. It might also be noted that every European government that committed itself to intermediate-range deployment has continued to adhere to the policy, even at considerable cost in domestic political turmoil. The Europeans do, of course,

Candidates would not be unfairly eliminated because they didn't appeal to one particular constituency, nor would any candidate be able to take early advantage of a primary schedule skewed to the advantage of one outlook. Instead, all candidates would from the beginning have to prove their mettle and wide appeal in every region.

We all want a fair and equal share in the selection of candidates for our nation's highest office. Under a scheduled interregional primary and caucus system, every state and every voter would share equally in the excitement and responsibility that comes with a full and critical role to play in a vital part of our democratic process.

SANDER LEVIN
Member of Congress, 17th Dist., Mich.
Washington, March 24, 1986

One Date for All

To the Editor:

"Hyping Hyper Tuesday" (editorial, March 28), on a Southern regional primary election, has one good point and two major flaws.

The good point you make is that a Southern "Hyper" Tuesday is not in the best interests of our political process. But I hasten to agree with the Southern Democrats that the position of Iowa and New Hampshire, with their early primary dates, is no better. An individual state or region must not hold "a dictatorial influence" over the rest of the country.

Flaw No. 1: concerning a national common primary, you say "the nomination would be decided in a single early blow." Why must it be early?

Flaw No. 2: Why must we watch the candidates "strut their stuff" for 10 months? We must have a national primary, but it must occur in late June, for which campaigning should begin no earlier than May 1. Thus we won't have to watch one state after another jockey to go first, or early, to get the national spotlight, nor be subjected to 10 months of strutting. And just maybe, the polls won't have to worry so much about the cost of politicking, because they'll have less time to spend money.

HARVEY G. BEALL
Port Jefferson, L.I., March 28, 1986

Defining Terrorism

To the Editor:

Flora Lewis (column, March 30) is right to note the urgent need for a nonpolemical definition of terrorism. The one she suggests, however, is not adequate: "The use of force against parties who are not involved in a conflict, who don't even engage themselves or know they are entering a danger zone, in order to make a political statement."

One of the flaws in that definition is that terrorists can make it ineffectual simply by publicly declaring certain areas to be danger zones, e.g., Northern Ireland, airplanes or ships that travel to or from Israel, or any countries that imprison members of the terrorist group.

I would suggest this definition: Terrorism is violence deliberately directed against civilians as the primary target for the purpose of demoralizing or extorting concessions from an enemy or attracting attention to a cause.

MONROE H. FREEDMAN
Professor of Law, Hofstra University
Hempstead, L.I., April 1, 1986

Market-Oriented Energy Policies Are the Answer to Our Needs

To the Editor:

"Why Pump Up OPEC?" (editorial, April 2) correctly portrays sharply lower oil prices as a double-edged sword for the nation. You are wrong, however, to champion an oil-import tax and to suggest that concern about the Organization of Petroleum Exporting Countries oil-market manipulation contradicts this Administration's free-market energy philosophy.

If the energy story of the last five years tells us anything, it is that market-oriented energy policies are the answer to our nation's energy-security needs. This Administration has been steadfastly wedded to this course, since its first few days in office, when President Reagan redirected United States energy policy by decontrolling U.S. oil markets.

There is no question that the U.S. will reap enormous benefits from lower oil prices. They'll slash inflation more, stimulate economic growth, cut the deficit and help American exports. Consumers are rightfully enjoying the benefits of lower prices at the pumps.

But the dangers of manipulating oil prices in the 1980's can be as serious as it was in the 70's. It can severely weaken competing producers of other

nations, allow OPEC to corner the market again and, in the long term, drive oil prices back up.

Most experts agree that depressed oil prices also pose serious and adverse consequences for domestic energy producers.

An oil-import tax is held out as a relatively painless panacea for some of these problems, but it is neither painless, nor viable. An oil-import tax would send all energy prices upward. The resulting inflation would hold down economic growth, damage our allies and undercut our ability to sell exports in foreign markets.

Our energy stability and strength are best secured by policies that emphasize the long-term energy interest of this nation and allow our energy industries to face the future on a playing field that allows them to be competitive — and as free as possible of Government regulation. For the petroleum industry, this means avoid-

ing Government quick-fix solutions and, more than ever, maintaining the incentives for exploration and development proposed in the President's tax-reform package.

The record shows the tremendous overall success of the President's energy policy. We should recognize this progress and step forward, not backward, to the goal of an even freer energy market by implementing policies that follow this proven course.

Expressing concern that free markets are not as free as they appear should not be viewed as an abandonment of free-market energy policies; nor should it be used as an opening to enact non-market-oriented solutions, like an oil-import tax, which would deprive American consumers of the opportunity to enjoy the product of their labor these last five years.

JOHN S. HERRINGTON
Secretary of Energy
Washington, April 3, 1986



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WASHINGTON
James RestonShultz's
Modest
Proposal

WASHINGTON — When Secretary of State Shultz came back from Europe the other day, he said that "we're not going anywhere" in U.S.-Soviet relations until we're able to have "some discussions that are relatively quiet and direct."

It was a modest proposal. He wasn't arguing for the Old Diplomacy, when secret deals were struck between the nations, often at the expense and without the knowledge of their peoples. Nor was he defending Woodrow Wilson's diplomatic dream of "open covenants openly arrived at." He was just saying that there was a time to shout and a time to shut up, and he seemed to be suggesting that maybe this was a time to follow General Jackson's famous order at the Battle of New Orleans: "Elevate them guns a little lower!"

There is, however, little chance that Mr. Shultz's common sense will be followed by this Administration. It lives and may die by publicity and propaganda. It thinks that the gabby arts of politics work in the quieter corridors of diplomacy, and the Russians suffer from the same delusion.

Mr. Shultz knew when he came back home that Anatoly Dobrynin was returning to Washington to arrange another summit meeting between President Reagan and Mikhail Gorbachev. Mr. Shultz and Mr. Dobrynin will meet next Tuesday when the United States, having rejected Mr. Gorbachev's proposal for a ban on the testing of nuclear

For quiet
diplomacy
between the
superpowers

weapons, will be exploding another nuclear device underground in the Western desert.

Quiet diplomacy may be the Secretary of State's formula for breaking the stalemate on arms control, regional conflicts and human rights, but ideological confrontation and warrior diplomacy is more popular at the Pentagon and the White House.

No sooner had Mr. Shultz's idea hit the headlines than some anonymous officials came forward with a "different analysis of the forthcoming summit meeting."

The Administration, they said, is not going to be fooled by Mr. Gorbachev's effort to concentrate on what the U.S. regards as the "narrow focus" of nuclear arms control. It wants a nuclear agreement, but is prepared to do without it if it cannot get agreement on other issues in Afghanistan and elsewhere in the third world.

Nothing new in that. This is what is called the Reagan Doctrine: defend democracy everywhere from Nicaragua to Angola. Regardless of what Mr. Shultz says, there are others here high in the Administration who, like the anonymous officials, think that Washington now has Mr. Gorbachev "on the run"; that President Reagan has produced a new balance of power in the world; that as they say, he "got the best of Gorbachev" at the Geneva summit, and that Mr. Gorbachev is trapped in a failing economy and must negotiate on the President's terms.

All this may be true, but it's not precisely what Mr. Shultz had in mind as the best way to have a "quiet and direct" discussion of U.S.-Soviet differences.

The Old Diplomacy had its faults, but it also had its standards, developed over the centuries. One of them was that diplomacy wouldn't change geography, and that the nations would probably have to live together long after contemporary politicians had vanished from the scene.

The Old Diplomacy boys were particularly skeptical of what they called "the fatal artillery of popular excitement," and of encouraging animosity between one nation and another.

They had a catalogue of maxims, all of which are out of favor today in Washington and Moscow, but may be worth mentioning in the present fevered atmosphere:

"Diplomacy is a written, rather than a verbal art. The high roads of history are strewn with little shrines of peace that have either been left unfinished, or have collapsed when completed for the sole reason that their foundations were built on the sands of some verbal misconception."

"Doubtless the art of lying has on occasion been successfully practiced... but a lie always leaves in its wake a drop of poison."

"Don't be deceived by the narcotic power of ill-considered slogans or propaganda. In the end it is not brilliance but rectitude that counts."

"Talleyrand: 'Et surtout pas trop de zèle!' — And above everything, do not allow yourself to be excited about your work."

"Propaganda is the curse of diplomacy because it violates the two most important qualities in negotiations between states: truthfulness and precision."

There is a world of difference between U.S. and Soviet diplomacy, but they have at least one thing in common: they have debased modern diplomacy by breaking almost every one of the old maxims.

Enough U.S. Neglect of the Mideast

Mazher A. Hameed

WASHINGTON — For all the flurry of concern in Washington last week about the repercussions of Saudi oil policy, there has on the whole been a major lapse of official American interest in the Middle East. The decline of concern has been evident for some time, and the collapse of the oil market only accelerated the process, encouraging officials in Washington to believe that the United States is no longer hostage to the oil shortage and could therefore disengage from the Middle East.

The American reaction is understandable but mistaken, and Washington's benign neglect is ill-advised. The Middle East may be on the back burner, but neither the conflicts nor the resources of the region will allow the rest of the world to disengage as the United States has tried to do. More important, those dynamics and resources guarantee that the region will require focused American attention again.

The notion that it was oil leverage that "engaged" America in the first place is an appealing fantasy, but a fantasy all the same. American oil requirements did not become a principal factor in American thinking about the Middle East until the 1970's, and the only deployments of American forces there (apart from training and advisory missions) have been well away from the major oil-producing areas — briefly in Egypt and three times in Lebanon.

Besides, quite apart from oil, substantial American interests are engaged in the Middle East. Wishful thinking may delude some people about the nature of those interests and, thus, about the possibility of disengagement, but the truth is that the interests were never a question of oil alone. To be sure, oil does play a part — but that does not mean that changes in the oil market, even major changes of the kind we have seen in recent weeks, can alone serve as a guide to policy. Whatever happens to the market, oil from the Persian Gulf is still required to maintain the Western economy and the military arm of the Atlantic alliance. Gulf financial resources remain a major factor in both the international economy and American monetary policy. American business is still heavily represented in the region, and with it large numbers of Americans.

Moreover, denying the region and its resources to the Soviet Union has always been vital to American interests; it remains no less important today. Soviet control of Gulf oil resources, Middle East sea lanes or the

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eastern Mediterranean would dramatically alter the global balance of power. The resulting cutoff of oil would devastate NATO, and even if there were no cutoff such a shift of power would endanger NATO military assets from Spain to Turkey.

History also demonstrates that much of America's involvement in the Middle East has been in response to conflicts within the region — conflicts that often produce superpower confrontations. Nor is this likely to change, whatever happens to the oil market. In fact, even with the Middle East on the back burner, American relations with Israel have of late become closer than before, more binding and more intimate, while Soviet investment in Syria and Libya has reached new heights.

Changes under way in the region also point to crises that must inevitably involve the United States. The unceasing Iran-Iraq war raises the

specter of a fundamental change in the political face of the Gulf. Cracks now apparent in Iraqi public resolve are becoming fissures, raising the possibility of a change of government in Baghdad. This, together with the compromises already evident elsewhere in the Gulf, would catapult a militant and violent form of Islam into the forefront of Middle East society and the Arab-Israeli conflict — with obvious new dangers for both Israel and the United States.

Events in southern Lebanon, where most of the population is neither militant nor strongly anti-Israeli, give some idea of the costs of such a religious mobilization, particularly the terrorism that could be visited on perceived enemies.

On yet another front, the conflict between Israel and Syria has generated a lethal arms race in, among other things, surface-to-surface missiles that may in Israel's case be nuclear tipped.

The interests and safety of both the United States and the Soviet Union are clearly affected by this explosive confrontation.

Yet another danger of Washington's inattention is that it leaves America's moderate friends, like the smaller Gulf states and Jordan, no alternative but accommodation to more extreme regional forces — an attitude that can only encourage the hostile and revolutionary forces.

The problems of the Middle East are painful and difficult: that is clear. The United States has already borne tragic costs as a result of its involvement there. Yet the alternative — neglect — promises to return even more bitter dividends. The problems of the Middle East may have gotten too hot to handle on the front burner — and Washington did indeed get burned. Nevertheless, given the ingredients, a period on the back burner threatens to develop even more explosively.

FOREIGN AFFAIRS
Flora LewisAsking
Civil
Questions

DALLAS — There was an hour between planes. A man behind two brochure-laden card tables was calling out in a midway voice, "Step up and learn about our space program."

So I approached. I had always wondered about the intense young people who man the Lyndon LaRouche stands, but I'd always been in too much of a hurry to stop and talk to them.

The sign said things like "Better beams in space than Soviet missiles here," and "Send Gramm and Rudman to Siberia," and "Support nuclear energy."

"Why do you back him?" I asked in a conversational tone. He glowered and replied, "Do you support our space program?"

"I mean, why are you for LaRouche?"

"Do you or don't you want a strong defense?"

"Oh, I see, you ask questions but you don't answer them."

He was thin, with short, tightly curled hair, and his ferret face was getting redder and more tense by the moment. His voice, wary from the start, became hostile. "Do you want to buy some literature?"

I said I was more interested in hearing him explain his point of view. Clearly he was annoyed, but he accepted what he took as an unavoidable challenge.

"He's against liberal traitors, and I'm against liberal traitors."

"And what do you mean by that?"

The pale young woman behind the adjoining card table came to her comrade's rescue. He was a hawk, not a

Democracy
depends on
rational
discourse

talker. "Do you know the word patriot?" she asked accusingly. An elderly man with a cozy smile wandered up, and they turned to him in relief, pointedly ignoring me.

Maybe it was my voice, maybe my clothes, I don't know how they decided so quickly to consider just another airport transient as the enemy. But they did. I wasn't looking for a fight, I was just curious. The whole conversation lasted less than two minutes and would obviously get nowhere.

As it happened, I was on my way to Austin for a conference at the University of Texas entitled "The Future of U.S.-U.S.S.R. Relations: Lessons from 40 Years Without World War." The idea, we were told, was that for all the troubles, something must have gone right and if we could figure out how 40 years without world war were achieved, we might be able to keep peace for at least another 40 years.

There were current and former officials from the National Security Council, the State Department, the Pentagon, the C.I.A., academics and scientists of note and a few important Russians at the conference. There were arguments, of course, and keen awareness of the fact that hostility between the U.S. and the Soviet Union is the biggest danger for the world.

But compared with the LaRouche people's reaction to a casual questioner responding to their invitation to step up and be informed, the atmosphere was positively amiable. Among Americans and Russians, there was no trouble agreeing that security and survival were the prime and common needs for everybody.

At his summit with Mikhail Gorbachev, President Reagan indulged in the fantasy that if the earth faced an invasion by Martians, U.S.-Soviet quarrels would be quickly set aside in the common defense of our planet.

When the reference was made in Austin, Helmut Sonnenfeldt, a former National Security Council member, said whimsically that he objected on behalf of Martians, who shouldn't be presumed to be hostile. It was a good point, and a reminder of the question about the LaRouche people. Whom are they so instinctively against, and why?

At the time of the industrial summit in Bonn last year, elections were approaching for the important West German state of Rhineland-Westphalia. Mr. Reagan, and all the rest of us on the trail, came to a town where lamp-post after lamp-post was emblazoned with posters carrying snide, thinly disguised neo-Nazi messages. On investigation, it turned out they were organized by Mr. LaRouche. His candidates got nowhere in the German elections, but they tintured the atmosphere.

His people made a pitch in France. There is no sign that they had any involvement with the extreme right-wing party of Jean-Marie Le Pen, but they stood on the main streets of Paris shouting the same call to arms that they pitch at Dallas, Dulles, Kennedy, etc. They have disappeared from Paris, presumably because of French resistance to such a foreign brand of rabid xenophobia.

This is a time when Americans are worried about all kinds of fanatics, for good cause. And free speech and free press require us to tolerate our own fanatics. But we have the right to question them in a civil way, and if they can't give a civil answer, they reveal themselves incapable of the rational discourse on which democracy depends.

Reagan Isn't Buoying Freedom Abroad

By John B. Oakes

"How sad it is," said President Reagan in his Easter homily to the American people, "that this season has been marred by crises and violence." He was referring specifically to the Gulf of Sidra and the Nicaraguan "invasion" of Honduras.

"American power," said President Reagan, "is an undying symbol of hope for oppressed peoples around the world." He was referring specifically to the Philippines and Haiti, among others.

"Let us pray," said Mr. Reagan, "that America will always use her power... to help those struggling for freedom."

No one could have put the message with more feeling than President Reagan. No one could have acted in more direct contradiction to it than President Reagan.

According to the polls, Mr. Reagan is the most popular President in recent American history. He thus has a special responsibility not to use that popularity to deceive, to inflame and to intimidate the American people into pursuit of his Holy War. But that is what he is doing.

John B. Oakes is the former Senior Editor of The New York Times.

larity to deceive, to inflame and to intimidate the American people into pursuit of his Holy War. But that is what he is doing.

Holy War it is. Mr. Reagan's alter ego, his director of communications, Patrick J. Buchanan, has made this clear: "It's an issue of Communism versus anti-Communism. It is... a moral issue, an issue of right and wrong." Mr. Buchanan was talking about support for the contras. He could as well have been describing many of the deeply divisive foreign policy issues on which his mentor has taken so profoundly simplistic a stand. On others, Mr. Reagan is playing a deadly game of provocation and distortion.

In the Philippines and Haiti, despite his pretensions, Mr. Reagan did literally nothing to "help those struggling for freedom" until the people were well on the way to ousting their dictators by their own efforts. Almost to the last moment, he stood by and cheered — or cheered up — the dictators.

In the Gulf of Sidra and Nicaragua, gunboat diplomacy is the substitute for thoughtful policy. Blowing a couple of Libyan ships out of the water and killing sailors will settle nothing: neither terrorism, Communism nor revolution. It has already incited retaliation against innocent civilians. It makes the trivial Muammar el-Qaddafi a hero

And he is
weakening it
at home

among many third world nations (who otherwise fear and detest him) for "standing up" to deliberate American military provocation on an issue more appropriately settled by the World Court than by the Navy.

The Reagan-sponsored invasion of Nicaragua, and the President's refusal to enter into meaningful negotiations, deny the principle of self-determination while Mr. Reagan pretends to defend it. His "Pax Americana" has more to do with ideological conformity than with national security.

It threatens increasingly to engulf all Central America — as indicated by the spectacle of reluctant Honduran soldiers being herded into the battle zone by the United States Army in order to protect Mr. Reagan's contras in their privileged sanctuary on Honduran soil. Meanwhile, Honduras's President, having telephoned Nicaragua's President, went off to the beach.

That spectacle is paralleled by an equally foreboding one in Washington. Reluctant Congressmen are being driven by their White House master to vote \$100 million (or a "compromise" facsimile thereof) for his contra protégés under spur of another kind — fear they may be branded pro-Communist if they don't.

The virus of Mr. Reagan's Holy War has had its effect, not only on Congress but on the one area that should be most impervious to it — the media. The most egregious recent instance was the capitulation by economically hard-pressed ABC News to an assault on its independence. With all the authority of the President behind him, Mr. Buchanan in effect not only accused ABC News of lese majesté for allowing a Soviet "propagandist" too much time to respond to a Presidential speech on military spending. By implication, he also instructed ABC and the rest of the media how to handle and how not to handle such an occasion.

This attempt at indirect control of the media was hardly surprising. What was surprising was the dutiful way in which the press, by and large, took the Reagan-Buchanan strictures lying down.

Mr. Reagan is not strengthening freedom abroad. He is weakening it at home.

More Bang for the Foreign Aid Buck

By Doug Bandow

WASHINGTON — President Reagan has proposed a 9 percent increase in foreign aid next year. Budget-conscious members of both parties have said he may not get it. But the debate over dollars and cents misses a key point: foreign aid, whatever the amount decided upon, is likely to flow to countries whose economic policies neutralize the intended benefits of that aid.

Since World War II, the United States has contributed more than \$186 billion in grants and loans in economic assistance alone around the world. If we include military programs, Americans have, all told, loaned or given away more than \$320 billion. Supplementing this has been

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nearly \$173 billion from a dozen multilateral organizations, as well as tens of billions from European nations and members of the Organization of Petroleum Exporting Countries. And the demand continues: Ethiopia, for example, will need as much food this year as last.

Yet current foreign aid programs treat the symptoms of third world poverty, not the disease of state economic intervention. Many developing countries intentionally impoverish themselves. In some cases, foreign aid allows recipients to resist needed change. So the answer is not another dose of the conventional wisdom. A new, more market-oriented strategy should be aimed at inducing third world nations to create the economic conditions necessary for development by, among other things, closing money-losing state corporations, abolishing public monopolies, ending unnecessary restrictions on prices and production and reforming monetary and fiscal policies.

We should not expect overnight miracles. But the empirical evidence is impressive, especially in such mar-

ket-oriented nations as Taiwan, Hong Kong, Singapore and South Korea. To encourage third world governments to follow the same path, we should:

• Require all recipient nations to introduce market incentives throughout their economies.

• Furnish assistance through the indigenous private sector — firms, cooperatives and individuals — instead of the central government. Low-cost health care could be provided through private clinics, contraceptives distributed by private vendors, etc. In this way, aid will help meet the demands of consumers rather than enrich the local elites that control state institutions.

• Lend the foreign currency acquired as part of the Food for Peace program to indigenous entrepreneurs, instead of giving the money to governments, as under current law. Today, these funds promote state expansion rather than economic growth.

• Use surplus crops now held by the Commodity Credit Corporation to reward countries that reform their economic policies, particularly those affecting agriculture. This proposal would even save money; it costs more

to store the \$5.6 billion worth of food now owned by Uncle Sam than it would to ship the crops to deserving nations.

Senator Jesse Helms, Republican of North Carolina, saw to it that some experimental initiatives were included in this year's farm bill. But if we adopted the full four-point program proposed here, we would no longer be subsidizing governments that pursue economic policies hostile to development. And as long as we were prepared to end aid to those who stonewall us, we might be able to induce countries to adopt politically unpopular policies needed for growth.

Global poverty and underdevelopment is a tragedy of huge proportions. The blame lies squarely on third world political leaders whose policies stifle incentive, confiscate earnings and deter private investment. The need, therefore, is not so much to increase aid as to use it to encourage market-oriented policies. Knowing that our money is actually helping starving people rather than enriching local despots will make the annual foreign aid bite a little less painful.

Debate Over Violence Goes On

By JOHN CORRY

Comes now once again the question, along with the old question: What have the media to do with sex and violence? Not much, a little, a lot, or it threatens the First Amendment to even ask. Actually, the question is never entirely absent. It endures because it is important, although historically it has been asked most loudly when Government sensibilities are aroused. It is likely we are in a time like that now. Recently, a Senate committee looked, inconclusively, at rock video; soon, the Justice Department will release a report on pornography. No matter how the debate unfolds, certain positions are preordained. Liberal politicians will worry about violence; conservatives will worry about sex; the American Civil Liberties Union will worry about everyone being worried, and the television networks will protect their flanks. In fact, debates like this are too important to be left to the usual participants.

We get an indication of all this on an ABC News special, "Sex, Violence and Values: Changing Images," aired Sunday. It is an intelligent piece of work, an authentic public service, even if it does waffle on the role of television, the greatest mass medium of all. This is how it frames the issue:

"Is there a clash between our taste in entertainment and what we say our values are? Do sex and violence reflect our popular culture or offend our moral values? X-rated material is an estimated \$10 billion industry. Have we become a more open society or has society cut loose from its moral limits?"

Forget the X-rated material; it's mostly grungy stuff. Jeff Greenfield, the ABC media analyst, is even a little misleading, when, speaking about X-rated movies, he says that "an American society once described by its intellectuals as hopelessly puritanical has become a wide-open country." This implies we are no longer puritanical. In truth, only a puritanical country would support a \$10 billion porn industry. On the other hand, Mr. Greenfield is absolutely correct when he says, "If respectable outlets are running nude photos and frank talk about sex, then the forbidden must become even more blatant to retain its appeal as forbidden fruit." This brings us back to television.

Television, eminently respectable, gives us nudity. Credit ABC News with showing a scene from an ABC prime-time series, "The Colby's," as an example. And goodness knows



Don Johnson blazing away on "Miami Vice."

television has frank talk about sex. Dr. Ruth Westheimer is a national figure, and the frank talk invades even news programs. Jack Kemp was asked recently on NBC's "Today" if he had ever committed a homosexual act. The question was despicable, but as a potential Republican candidate for President, Mr. Kemp was not allowed to take offense. Very calmly, he said he had never committed a homosexual act.

"60 Minutes" last Sunday took frank talk right into the wholly smarmy. Craftily, the CBS program laid the groundwork first. In a segment on Roy Cohn, it twice mentioned that Mr. Cohn had a male companion. Then Mike Wallace told Mr. Cohn, very sincerely, that they had a mutual friend who thought that Mr. Cohn really wanted to "come out of the closet." Then Mr. Wallace, still being sincere, popped the big question, which was of interest to perhaps 100 people on Manhattan's East Side, but only titillation for everyone else: Was Mr. Cohn a homosexual?

It is worth noting here that Mr. Cohn once worked for Senator Joseph McCarthy, and that at the start of the segment, Mr. Wallace, quoting his Webster's, described McCarthyism as the use of "inquisitorial investigative methods, ostensibly in the suppression of communism." On "60 Minutes," inquisitorial investigative methods, ostensibly in the pursuit of news, get a dispensation. Mr. Cohn didn't say he was a homosexual; he evaded the question. One wishes he had said that his sex life was none of Mr. Wallace's business.

Where this will all end nobody knows, although it's clear that trashiness now knows no bounds. On "Sex, Violence and Values," Carole Simpson, the able moderator, says the same social scientists who claim we yearn for old-fashioned values also say that "the popular culture in America has become flashier, trashier, more vulgar, violent and exploitative." A little later, there is a panel discussion. The actress Morgan Fairchild, the Los Angeles Times televi-

sion critic Howard Rosenberg, the musician Frank Zappa and the film director Lynne Littman discuss sex and violence in the media. Midway through the discussion, Miss Simpson sums up what they're saying.

"It seems to me that there is consensus on this panel — that you are abhorrent of the violence and not of the sex," she says. "Is that correct?"

It is correct, even if the panelists do start to equivocate when they reply. An anti-violence position is approved by the dominant intellectual and artistic culture in America; an anti-sex position, or even the hint of one, is not. "Main Street," NBC's very good monthly program for young people, devoted its most recent hour to frank talk about sex (Dr. Westheimer showed up), without being able to say clearly that sex for the very young was a perfectly lousy idea. As a rule, only political conservatives like the Rev. Jerry Falwell or Phyllis Schlafly say this on television, and it's a pity. The right wing gets the franchise. It is how the topic becomes polarized and turns into a political, rather than moral, debate.

Meanwhile, social and behavioral scientists have made it a good deal easier to be anti-violence than anti-sex. They study violence and its relationship to television all the time. Sex does not seem to be a fit topic. Carefully, "Sex, Violence and Values" gets into the discussion about violence. It shows us a scene from NBC's "Miami Vice," which is seen by 30 million people each week. Guns blaze; bodies fall. Philip Michael Thomas lets go with a sawed-off shotgun; Don Johnson uses a .45. Do scenes like this inspire viewers to commit violence themselves? "Sex, Violence and Values" says the "Miami Vice" producers declined to be interviewed about this, and that NBC issued a statement instead.

Scenes with violence, the statement says, "must be necessary to the development of theme, plot or characterization." This isn't bad; Shakespeare thought that way, too. Then the NBC statement blows smoke. Scenes with violence, it continues, "may not be used to stimulate the audience or to invite imitation."

It is the sickening point, of course; NBC is only saying that scenes may not be purposely used to stimulate the audience or to invite imitation. Whether the scenes do this without being purposeful about it is another matter. For years now, a growing body of research has found a connection between television and violence; for years, the networks have been insisting the connection doesn't exist. Congress, meanwhile, has been con-

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cerned since 1952, when it held its first hearing on television, sex and violence.

Research was sparse then; the Congressmen followed their instincts, even if not always sensibly and well. (In 1953, some Senators looked at the comic-book menace and juvenile crime.) However, more hearings followed, and so did Government reports. The body of research grew. In 1969, the National Commission on the Causes and Prevention of Violence found that a person who watched violent television programs was more likely to behave violently than a person who did not. In 1972, the Surgeon General's Scientific Advisory Committee on Television and Social Behavior made a similar finding. In

about violence and aggression, and not necessarily crime.

Ah, but yet; new studies kept appearing. In 1984, John P. Murray, on behalf of the American Psychological Association, testified at a Senate hearing. "Does televised violence produce aggressive behavior?" he asked, and then replied to his own question: "The answer seems to be yes." Dr. Murray also cited a 22-year study that was begun by CBS but apparently forgotten when the network testified at the House hearing the year before. The study found, Dr. Murray said, "an impressive relationship between television violence viewing at age 8 and criminal behavior through age 30."

Where will the argument go now?

Sufficient evidence exists to prove there is a connection between TV violence and behavior.

1982, a report by the National Institute for Mental Health, "Television and Behavior," seemed to end the discussion once and for all. Most researchers, the report said, agreed "that the convergence of findings supports the conclusion of a causal relationship between televised behavior and later aggressive behavior."

But this didn't end the discussion, unfortunately; the networks fired back. NBC published a massive study of its own, "Television and Aggression," which declared in its last paragraph that it could find no evidence that "television was causally implicated in the development of aggressive behavior patterns." ABC responded with a glossy brochure, "A Research Perspective on Television and Violence," that agreed with NBC. CBS didn't publish anything, but it did say at a House hearing in 1983 that "there is still no convincing evidence that television violence creates criminals or increases crime." Actually, CBS was on reasonably firm ground here. The other studies had talked

To sleep, one hopes; it ought not to be pursued any longer. The energy should be turned elsewhere. There is sufficient evidence to prove there is a connection between television and violence. At the very least, repeated exposure to television violence desensitizes us to real violence, particularly violence committed against women. This makes us less human.

It's clear, of course, that a large number of Americans don't object to any of this. No one forces them to subscribe to pay television, rent an X-rated movie for their VCR's or even watch "Miami Vice." On the other hand, polls find that an even larger number of Americans show a general unhappiness with media. Values are in collision. Is there a way out? Censorship is the least desirable alternative. But if enough people demand lock-boxes, the cable systems will supply them. If enough parents and consumer groups petition the networks and stations about their programming, the networks and stations will change them.

MUSIC VIEW

DONAL HENAHAN

Music Lovers Don't Look for Logic in Wagner's 'Parsifal'

Even those who despise "Parsifal" — and they have always constituted a mighty legion — must feel a twinge of pleasure when Wagner's last opera makes its annual appearance. No matter what the thermometer may say, we know that the arrival of "Parsifal" at the Metropolitan Opera this week spells spring. It is difficult to think of this music, which Thomas Mann penetratingly described as "filled with a majestic sclerotic weariness," along with robins and crocuses, but perhaps more than any other Wagner work "Parsifal" is capable of arousing violently ambivalent feelings.

Like Nietzsche before him, Mann went to his death maintaining a fierce love-hate relationship to Wagner. Long after Nietzsche had rejected the music and the philosophy as life-denying works of a depraved northern genius, he could still say that knowing Wagner had been the one great happy experience of his life. Mann, asked in 1942 if it might not be time to decide one way or the other about Wagner, refused: "No, it is like that and cannot be otherwise. I can write about him today like this and tomorrow like that." These three great Germans came from the same cultural background and it is likely that something in that atmosphere made them able not only to abide contradictions but to put them to creative use. Wagner, Nietzsche, Mann — have there ever been three such kindred souls, in spite of their radical philosophical differences?

If two geniuses, certainly the greatest Wagner critics who have ever written on the subject, could not dispose of him with any finality, others who find him a perpetual irritation and joy hardly need feel any guilt. I, for one, would not trust the musical instincts of anyone who did not feel similarly torn. I like Mann's typically half-admiring, half-deprecatory assessment: "He is one of those musicians who can persuade even the unmusical to listen to music." After a visit to Bayreuth in 1909 during particularly hot and oppressive weather, he wrote to a friend that his passion for Wagner had cooled, but that despite his physical exhaustion certain scenes in "Parsifal" struck him as "terrifyingly expressive." To the end of his life, however, it was "Lohengrin" that kept him in Wagner's grip most tightly. A few bars of the prelude, he was told, were enough to dissolve all his intellectual defenses.

Probably the high-water mark of creative ambivalence in all Wagnerian commentary came in Mann's "The Sorrows and Grandeur of Richard Wagner," which has been reprinted in "Thomas Mann: Pro and Contra Wagner," a University of Chicago Press paperback. This is the famous 1933 speech, later reworked as an essay, in which Mann tried valiantly to separate Wagner's music from the political uses to which it was being put by the new German nationalists who were soon to enshrine Wagner as the official Nazi composer. Mann was denounced for his efforts in a pompous reply by 42 of Munich's leading citizens, including to their eternal shame Richard Strauss, Hans Knappertsbusch and Hans Pfitzner. Knappertsbusch, one of the more renowned of "Parsifal" conductors, is believed to have been the instigator of the manifesto. It extolled the "uprising of Germany as a nation" and denied Mann, a man with known sympathies for European "cosmopolitan-democratic views," the right "to criticize German intellectual giants."

The infamous 42 were not wrong in seeing Mann's

criticism as a threat to the proto-Nazi cause. He had written, after all, such heresies as this: "It is thoroughly inadmissible to ascribe a contemporary meaning to Wagner's nationalistic gestures and speeches — the meaning that they would have today. To do so is to falsify and abuse them, to sully their romantic purity." That statement made sense in 1933 and it makes sense today when we regularly see operas being twisted out of shape by directors intent on imposing contemporary social views and political values on works whose artistic significance is clearly inseparable from the time and place of their birth.

There still are Wagnerites who somehow believe it is denying his genius to face up to the apparent anachronisms and confusions in his works, to what Mann oxymorically refers to as "Wagner's healthy brand of sickness." Instead, we should hail him among all composers as the master juggler and illusionist, an artist able to persuade us that he is keeping all the balls in the air. Wagner found ways to work successfully with conflicting ideas while resisting the neat synthesis that literary men and philosophers such as Mann and Nietzsche might find more satisfying. Perhaps it is just this refusal or inability to settle for final solutions that keeps us fascinated — obsessed, in some cases — with Richard Wagner.

Certainly he settled nothing for us or probably for himself in "Parsifal," the most murky of his works. As for this last testament of a composer nearly 70 years old, which traditionally has been accepted by audiences as a profoundly religious experience rich in Christian symbols and mysticism, I suppose no one has ever described its weird cast of characters more vividly or more irreverently than Mann:

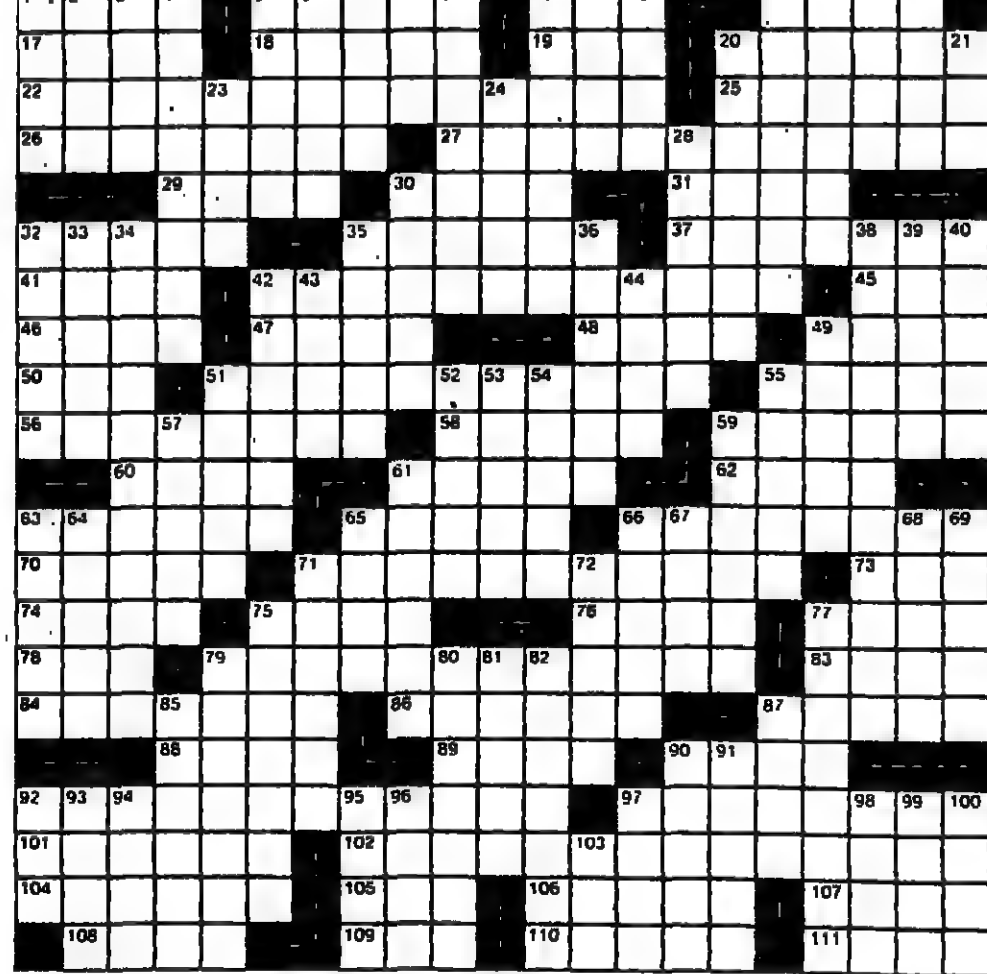
"What an assemblage of extreme and repellent oddities! A sorcerer emasculated by his own hand; a desperate woman of split personality, half corrupter, half penitent Mary Magdalene, with cataleptic transitions between these two stages of being; a love-sick boy who brings redemption at the hands of a chaste boy; this boy himself who brings redemption, this guileless fool, so very different from the awakened youth who wakes up Brünnhilde, and in his own way another case of remote peculiarity: together they remind one of that motley bunch of freaks who packed into Achim von Arnim's famous coach — the ambivalent gypsy witch, the dead layabout, the golem in female shape and the field marshal Cornelius Nepos, who is really a mandrake root grown beneath a gibbet. The comparison seems blasphemous, and yet the grave characters of 'Parsifal' derive from the same Romantic penchant for extremism as Arnim's scurrilous crew. Had they been presented in the guise of a novella, this would have been more obvious; only the mythicizing and sanctifying powers of music mask the affinity, and it is from the solemn spirit of the latter that the whole thing emerges not as gruesome-facetious nonsense, as it does in Romantic drama, but as a deeply religious sacred drama."

All true. And yet, when the first murmuring sounds of the "Parsifal" prelude begin to float over the Metropolitan Opera House, logical arguments are likely to dissipate like the mist in the morning. For the space of five timeless hours, the audience will, whether it approves intellectually or not, willingly submit to hypnotization. Mann described his love for Wagner's music as "a love devoid of belief" and that, I believe, is the most sensible attitude to take toward "Parsifal," an old spellbinder's final, magically muddled sermon.

B+

BY JUDITH C. DALTON/Puzzles Edited by Eugene T. Maleska

- ACROSS**
- Rhyme scheme
 - Discover
 - Gradually
 - Outdoor pie
 - Invitation letters
 - avis
 - Right-hand page
 - Ending for malt or verb
 - Battologize
 - Diamonds, tinsel, gold, etc.
 - Income from wealth
 - Take a (attempt something)
 - Summon at the Rio Grande
 - Tilt
 - British roster
 - Minn. neighbor
 - Polio-vaccine man
 - Delusion
 - Newspaper messenger
 - Disney movie: 1952
 - Critics' courageous comments
 - French pronoun
 - Snug as
 - Chemical compound suffix
 - Lebanon's — Gemayel
 - Epithet for Alexander Pope
 - Witticism
 - Satan
 - Refuse
 - Slip out of place, to a doctor
 - Batman's cousin
 - Like some swiss
 - Watson's warning
 - New 2 group
 - "Goodbye Columbus" author
 - Sampled
 - Mayor, in Marseille
 - Cleft, old style
 - R.I.P. notices
 - Brazen language
 - Legal thing
 - State flower of Utah
 - First Bond film
 - Fleming and Hunter
 - Time divisions
 - Afr. country
 - Household help



- DOWN**
- Marital
 - Thai monetary unit
 - Kind of rug
 - Like some brooks
 - Hominy food
 - On the up and up
 - Genuine, in Gladbeck
 - Sol. Gen., e.g. 9-0-0
 - Mold-making science
 - N.F.L. rival
 - Dexterous
 - Lathers again
 - Manager Anderson of the Tigers
 - Sell
 - Les Whitten's "A Killing": 1983
 - Job for a masseur
 - Gerard — Borch, Dutch painter
 - Vehicle: 1922
 - Turkic person
 - mnem
 - Device for Rosie
 - Distinct mark, or mark distinctly
 - Ramada
 - Stare-down competition
 - Parsonage
 - Avoids
 - Herald a victory
 - "Allez — I" (gendarme's command)
 - Cried out sharply
 - Honked
 - Narrow inlets
 - "a man . . ."
 - Los Angeles area
 - Exposes
 - Shaped like Humpty Dumpty
 - Composer Gabriel Urbain
 - Actress Burstyn
 - Rushing sound
 - Bingo's parent
 - Halyard, in Le Havre
 - Wide play: 1893
 - Put — (sail away)
 - Incites
 - Cosmetician Madeleine —
 - A title for R.W.R.
 - Ranch in Ferber's "Giant"
 - Ruhr city
 - you
 - British square! Kipling
 - Supplies
 - She wrote "The Needle's Eye": 1972
 - Involved necessarily
 - N. Ireland seaport
 - Sometimes it's golden
 - Fill with joy
 - Greek wine
 - Della and Lizette
 - Catchall abbr.
 - Attic townships
 - Imitative
 - Mich. time, at times
 - 93 Rime
 - Swinburne is one
 - Insts. for future executives
 - In a snit
 - Tabula —
 - "Rock On" author
 - Orchestral concern
 - Football center's job
 - Kaltenborn's "Europe —"

ANSWER TO PREVIOUS PUZZLE

HEADLAND SAPIEN SUPPER
ENIGMA PLATE ALERIA
HARYAVOUTIC HENSTRAY
MOSES BURN BUDGETS
STENTILE LIES
BOULEY MON DAWN REGALS
ADEER PLISTIES GARYT
DEMOLISH PRO OROSO
ISOLATE CREME EROSIVE
MIDFIELD TRIPERIAL
NEATNESS METASTE VENSIS
RELEASE ESSIE POUNDER
IDEA STEPPED CHESHIRE
CLOSE IMPIT SCOLD ELLA
WEPALL PANS ANN MAKER
ASTA BUDG ACQUATATO
HOWDOESYOURCANDIDATE
TREATY ESTER TRADLINE
STORIES ACROSS SADDONED

Day at the races

RANDOMALIA
Miriam Arad

WELL, it was only a couple of hours one Sunday afternoon, really, but I came away from the Ngong Racecourse at Nairobi with a satisfied feeling that at last I knew what the whole thing was about.

I didn't catch on at once. My first impression was of lots of people milling aimlessly about, and not a horse in sight. The people were a motley crowd: Africans, Asians and Europeans, some in their Sunday best, some in faded jeans, with here and there the slight, almost dwarfish figure of an old jockey, long past it himself but unable to keep away. Eventually, with the help of my experienced companion, I discovered there is method to all that human movement, so I went and joined it myself.

To begin with, everyone goes off to an enclosed lawn to watch the horses due to run in the next race being paraded about, led by grooms for three or four circuits, then ridden by their jockeys for the last trot round. While this goes on, people with what I assume are racing forms sit watching the horses carefully and taking notes: "No. 3 - good flanks, but tends to jib at corners. No. 7 - fine animal. Jockey seems tense." Things like that.

Next everyone goes to the bookies to place his bet and then, finally, what we've all come here for happens: we swarm to the stands, or take up positions by the fence round the course, and watch the race.

Me, I don't see anything at first, no horse, no rider, just a great empty oval, till I'm told to look at the far side of the turf, where nine tiny, distant figures appear to float on the air. Only when they come round to our side do I see that this impression of floating is due to the incredibly smooth pace of the horses and, of course, their speed. No film, no TV feature I've ever seen, can convey



(Opposite)
the real thing - the lightning swiftness, the beauty and excitement of it. I seem to be the only one who is excited, though. Everyone else is calm and unruffled. No one cheers on his horse or jockey, no one cries, shouts, claps, and I feel I want to yell like Liza Doolittle at Ascot, but don't.

IT TURNS out that this, the actual race, makes up the smallest part of the whole business. It's soon over, and now everyone starts wandering about again, hailing acquaintances, chatting, going in search of drinks: they are waiting to hear the winner announced. Not that they don't beat all the rest to the finish, but it has to be made official. It's also important to hear which came in 2nd and 3rd, I don't know why.

After the results have been announced, the final movement in this ballet occurs: people go to collect their winnings, if any. The "if any" applies to me as well. I'd put my money, the equivalent of NIS 2, on a horse named Flutterby, picked on account of its good flanks or what, but because I liked its name. I'm not at all surprised when it comes in one-but-last. Still, I want you to know I would have made a lot of money if my horse had won, since according to the announcer, the betting on it was 24 to 1 - the one presumably being myself. We've had our fun, though, Flutterby and me, and full of high spirits I go to the parade enclosure, to watch the whole thing start all over again from the beginning.

(Continued from 'Wrongful life,'
The Jerusalem Post, April 4)

JUSTICE Aharon Barak was also of the opinion that, in principle, the law must recognize the liability towards parents and children of a doctor who, by his negligence, causes a physical, mental, or any other kind of disability to a minor who would otherwise not have been born.

Referring to English and American precedents, Barak pointed out that from the point of view of parents, this type of case covered a wide range of possibilities: negligent advice without which the child would not have been created, ("wrongful conception") and later negligence resulting in the child being born disabled, ("wrongful birth"). Moreover, the negligence need not be that of a doctor or geneticist, but also of a driver who injured a woman, or a manufacturer of drugs, or a pharmacist.

The possible claims of the minor covered an even wider field, including claims against his parents, through whose negligence he was born disabled or where, but for that negligence, he would not have been born at all, ("wrongful life").

These situations, said Justice Barak, created a number of ethical, logical, medical and legal problems. There have always been disabled children, but it was only in recent decades - due in part, no doubt, to the substantial advance of medical science - that they had become matters of general public concern. The way a person perceives himself, his parents and society, has changed. What was previously regarded as a matter of fate, "For perforce thou wast formed, and perforce thou wast born, and thou livest perforce" (*Ethics of the Fathers*, IV, 29) has now become a matter of choice inquiry - the creation of life, its avoidance, and compensation for its very existence.

It is not a far cry from this approach to pose the question whether someone should not be legally responsible for a child's disability. The court is sometimes required to solve problems before legislative norms have been created. It has granted compensation where life has been taken away, and is now being asked to grant compensation for the giving of life. The question arises whether it can do so without legislation.

Barak then dealt with the claim of the parents which, he said, involved no legal difficulty. Under Section 36 of the Civil Wrongs Ordinance, a doctor who treats a pregnant woman is clearly required to foresee the possibility of her being caused damage through his negligence, if the child is born disabled. Moreover, it is generally recognized today in England, Canada, the U.S. and Germany that the birth of a child, healthy or disabled, justifies a claim by the parents against a doctor who had negligently performed a sterilization.

There had been some cases in America, Barak continued, in which a contrary view was taken - for example, that "public policy and social necessity mandate a holding that the birth of any child is not a wrong that results in damage to the parents." These cases rested on four considerations - that recognition of the claim would result in an increase in abortions; the fear that the child would suffer mental damage by being regarded as unwanted; that the assessment of the damage by setting off the satisfaction in rearing a child, against the suffering of having no child, was an impossible task; and that recognizing a claim by the parents against the doctor would involve recognizing a claim by the child against his parents. It had, however, been accepted over the years that these considerations were groundless, and also that the claim of the parents was entirely distinct from that of the minor himself.

There was no justification for according doctors immunity, for they must exercise the required degree of care in explaining to parents the risks involved in pregnancy, abortion and birth. A basic necessity of liability for negligence was the causing of damage - that is, in principle, the difference in the parents' situation before the negligence, and thereafter. Any of the recognized heads of damage such as pain and suffering, the expenses involved in rearing the child, or loss of earnings, would be sufficient. In the present appeal there was no difficulty, for the medical expenses, if proved, would satisfy this requirement. The result was that the claim of the parents, if the negligence were proved, would be legally justified even if, as a result of such negligence, the minor would not have been born at all. Their appeal, therefore, should be dismissed.

BARAK then turned to consider the claim of the minor. It was widely accepted, he said, that the negligence which caused the damage could have occurred before the injured person was even conceived. As the authority Fleming has said, "A defendant's negligent act may occur well before the plaintiff's cause of action accrued, since the latter does not arise until the damage is suffered. Indeed, there is no reason why that act may not occur even before the plaintiff was conceived, e.g. an incompatible blood transfusion to the mother years earlier. Hence it is sufficient that the accident could foreseeably result in the plaintiff later being born in an injured condition."

Does it make any difference if, but for the negligence which caused the child to be born disabled, he would not have been born at all? If it makes no difference in regard to the parents' claim, why should it affect the claim of the child himself?

The main objection to the child's claim in the literature on this subject is that it involves a finding as to whether no life at all is preferable to life with a disability. The view is

To be or not to be

LAW REPORT / Asher Felix Landau

taken that such a comparison is impossible, and beyond the ability of any court.

Justice Ben-Porat was of the opinion, supported by many American scholars, that such a comparison was possible. There was no doubt, however, that this approach raised the difficulty of making this comparison. As the district court stressed, it is not axiomatic, according to our understanding, that "life is precious," "life is a gift of the Almighty," "any life is better than no life." Can a court rule against these basic tenets?

A second difficulty in Ben-Porat's approach involves drawing a line before which there is no damage, and beyond which damage can be assessed. At what point does the disability reach the stage at which no life at all will be preferable?

Barak agreed, he said, that despite the difficulties involved, it was proper to afford the minor a remedy. This could be done, but on a basis different from that proposed by the deputy-president. In his view, the child had no right not to be born at all, and had no claim to compensation for having been born.

His right was to be born healthy, and it was for his having been born with a disability that his claim against the doctor should be allowed. This approach was based on the minor being alive, and on our inability to compare life with no existence at all. The minor does not wish to return to non-existence, and we do not impose this upon him. Even if he so argues, we do not listen to him, for his right is to life - not to no life.

The expression "wrongful life," therefore, is both inept and misleading. As was said by an American judge, "The reality of the 'wrongful life' concept is that such plaintiff both exists and suffers, due to the negligence of others. It is neither necessary nor just to retreat into meditation on the mysteries of life. We need not be concerned with the fact that the defendant has been negligent, the plaintiff might not have come into existence at all," and "No measure of life versus non-life is required. An injury to the existing child is merely being recompensated."

THIS APPROACH, continued Barak, had three advantages. It eliminated the necessity of comparing life with no life, with all the philosophical, logical and ethical problems involved, it avoided the difficulty which would arise in cases where the disability did not reach the stage at which non-life would be preferable to life itself, and it enabled the assessment of damages on an accepted and recognized basis - the difference between a healthy life and a life with a disability.

It was true that the object of compensation under our law is *restitutio in integrum* - to restore the injured person to the position in which he would have been but for the civil wrong - in this case, the doctor's negligence. Since, in the present matter, the injured person, but for the negligence, would not have been born at all, this was impossible. The case must therefore be regarded as something special, *sui generis*, calling for a measure of elasticity in the law. This is possible within the framework of the general principle that the object of damages is to compensate the injured person, and this can be achieved by placing the victim in the position he would have been had he been born without his disability.

There was no reason, said Barak, why this result should not be brought about by the court, without legislation. It involved no new principle, but the application of well-known and accepted principles of negligence to new facts. This was a classic example of the judicial function - retaining the stability of the law in changing circumstances.

The reasonable expectations of the community are preserved. The conceptual duty of care requiring doctors not to act negligently towards patients is extended also to the child who, but for the negligence, would have been born healthy. This addition - even if, but for the negligence, the child would not have been born at all - has no effect on what doctors must reasonably foresee as the possible result of their treatment or advice. It is a natural development of existing precedent to meet a new situation. It does involve some innovation, but one within the framework of existing principles, and not beyond them.

There is nothing in judicial policy which precludes the court from finding a solution to the present problem on the basis of existing tried and accepted principles. There has been no difficulty in imposing liability towards a minor who, but for the doctor's negligence, would have been born healthy. The only difference in the present case, the fact that but for that negligence he would not have been born at all, demands no assessment of non-existence, nor consideration of a right not to exist or to abortion. The solution sug-

ough examination and discussion. That did not relieve the court, however, of its duty to deal with the matter on the basis of the existing law, and he concurred in the final conclusion of his colleagues Ben-Porat and Barak.

In regard to the minor's claim, said Levin, he agreed with the reasons of Ben-Porat. Barak had based the damages on the distinction between the situation of a child born disabled and one born healthy. The present case, however, dealt with the distinction between a child born disabled, and one not born at all. Barak's solution certainly achieved a just result in this tragic case, but Ben-Porat's reservations exposed its weaknesses and dangers.

Levin went on to emphasize the Jewish conception of the sanctity of life. As Justice Silberg had once pointed out, although there are some circumstances in which a Jew is commanded to sacrifice his life, life is generally regarded as man's holiest possession. However, not all the great philosophers accepted this thesis. While Socrates and Aristotle accepted this doctrine, Epicurus did not, holding that a man who ceased to enjoy life was free himself to terminate it, and that too was the view of the Stoics. While, in principle, life, even with a disability, was preferable to non-existence, he accepted Ben-Porat's opinion that the position could be otherwise. It depended on the facts of each case, and the degree of the disability.

A man born with a disability of 50 per cent may still function, and to some extent enjoy his life. It could not then be said that his very birth creates a cause of action under the law of damages. On the other hand, where a man is born with complete disability, unable to function or to enjoy life in any sense, consigned to a life of pain and suffering, it could be said that it was better he was never born.

It was true, Levin concluded, that cases such as the present imposed on the judge a heavy task, both from the point of view of conscience and law. However, the courts were accustomed to difficult challenges, and were obliged to deal with such matters to the best of their ability, and to reach the fairest conclusion which the law would permit.

JUSTICE Eliezer Goldberg dissented from his colleagues in regard to the minor's claim. The minor, he said, did not contend that he had the right to be healthy, but that he had the right not to be born at all. His claim against the doctor was that the latter owed him a duty to prevent his birth and had committed a breach of that duty. On this basis there was no difference between a claim against the doctor and one against the parents.

Existing legal principles do not embrace what is hidden from us, Goldberg continued, and do not provide an answer to one who argues that he had the right not to be born. The nature of non-existence belongs to the realm of the mystery of life, and not to that of practical law. He agreed, therefore, with the opinion of an American judge that, "Whether it is better never to have been born at all, rather than to have been born with serious mental defects, is a mystery more properly left to the philosophers and theologians, a mystery which would lead us into the field of metaphysics beyond the realms of our understanding or ability to solve."

The deputy-president had held, Goldberg said, that there could be, in rare cases, a general consensus, expressed through the opinion of "the reasonable man," that it was better for a person never to have been born at all than to have been born seriously disabled. However, this thesis of the right not to be born is beyond human grasp, and unless the legislature creates such a right, "the reasonable man" - on whom the jurist so often thrusts his burdens - can be of no help. "The mysteries of the universe and the hidden sec-

rets of all living" are also unknown to him. This problem cannot be solved by the rational ideas of the reasonable man. Reason has no part in decisions in the area of values. "The reasonable man," therefore, cannot base the distinction between a serious and less serious case on reasonable and intellectual analysis.

Since the question at issue, said Goldberg, is in the realm of philosophy, ethics and theology, there can be no "accepted opinion" about it. This was amply clear from the great diversity of views among the authorities and precedents quoted by counsel, none of which, of course, rested on a scientific basis. To prefer never to be created than to be alive, to decide that, "Better that they both (the living and the dead) is he that hath not yet been, who has not seen the evil work that is done under the sun" (Ecclesiastes 4.3), is impossible.

He was also unable, Goldberg continued, to accept the reasoning of Barak. As Ben-Porat had correctly emphasized, there was no ground for compensating the minor on the basis of the difference between his having been born disabled and his being healthy, for there was never any possibility of his being healthy. The only alternative to being born disabled was not to be born at all, and it was on this basis alone that the problem could be considered.

Finally, Goldberg said that apart from the strictly legal considerations involved, he was not satisfied that judicial policy supported the court's recognition of the minor's claim. He recognized the human problem involved, but the possible implications of recognizing the claim went far beyond the minor's right to compensation. It was not only the possibility of a claim against the parents. There was the danger that doctors and geneticists would be ultra careful in preventing births, lest they be exposed (according to Barak - always) to claims by children born disabled. Perhaps it is desirable that doctors and other advisers should be released from the influence of this consideration. Did sound social policy encourage the view that in any case of doubt, birth should be avoided?

There was substance, therefore, in the opinion of the Royal Commission in England that, "The danger that doctors would be under such subconscious pressures to advise abortions in doubtful cases through fear of an action for damages is, we think, a real one." Moreover, how will the courts fix the limits of the duty imposed upon doctors to prefer non-existence to a birth with disability, and (according to the reasoning of Ben-Porat) how will a doctor be able to know when he will be exposed to an action for damages? In this respect the authority Kennedy has said, "If society wants to impose this general duty on doctors, it should accomplish this by issuing legislative guidelines for physicians' responsibility in providing prenatal care. Such guidelines, based upon physicians' responsibility rather than a misguided impulse to compensate some children for unfortunate circumstances of being born, would lend consistency and predictability to the law."

He agreed, therefore, said Goldberg, with the district court that this was a matter for legislation, since the court was unable to gauge the implications of recognizing the minor's claim.

For the above reasons, the appeal in respect of the parents' claim was dismissed, and, by majority decision, the appeal of the minor was allowed and the case remitted to the district court for completion.

Advocates Moshe Argov and Zvi Zilberthal appeared for the doctor and her co-defendants, and advocates Yabli Kahanoff and Ze'ev Weil for the minor and his parents.

Judgment given on February 18, 1986.

Immense pleasure

MUSIC / Benjamin Bar-Am

ISRAELI PHILHARMONIC ORCHESTRA - Helmut Rilling conducting with Edith Wiens, soprano; Margot Schell, alto; Aldo Baldi, tenor; Andrew Schenck, bass and the Gächinger Kantorei (Stuttgart) (Mama Auditorium, Tel Aviv, March 31). Mendelssohn: *Elijah*, Overture after the Bible for soloists, chorus and orchestra.

LISTENING to the two-hour oratorio *Elijah* by Mendelssohn was an immense pleasure in all respects. The work, of no less than 42 numbers, became, in Rilling's performance, a tightly joined sequence, developing towards climaxes with dramatic outbursts and romantic lyrical interludes, and building to its reflective, in a way, final, moral recitative. One cannot but admire again Mendelssohn's ingenious choice of texts, creating a fascinating dramatic continuity.

In Helmut Rilling's performance we were able to follow the story without looking at the text, as though the oratorio unfolded before our eyes on the operatic stage, so vivid and alive was the performance. One can hardly describe the intensity and tension that permeated the performance. Not for a moment did Rilling relent in driving his message home with immense strength, determination and momentum. He had complete control over the three components of the score - the

orchestra, the choir and the four soloists, who were all carried away by Rilling's forward drive. Yet despite the continuous tension, the character of the music changed constantly.

There were moments of frightening suspense, of fiery passion and, in contrast, moments of great peace and mellowness. As in Verdi's *Requiem*, the Gächinger Kantorei showed that there is nothing like them in technical brilliance and variety of expression. One feels privileged to listen to this wonderful vocal instrument.

No less impressive were the four soloists, who formed a homogeneous group, integrating their respective parts marvelously into the framework of the performance. None of the four attempted to achieve conspicuousness.

To sum up: a remarkable performance!

DR. BATHJA BAYER of the Hebrew University will lecture on "Archaeology and the Musical Instruments Mentioned in the Bible" at 7:30 p.m. Thursday, April 10, in the exhibition hall of the Central Library for Music and Dance in Tel Aviv. The lecture will be in English, and the public is cordially invited. Y.B.

Ministry of Construction and Housing: Contractors Registrar Classification of Registered Contractors

In accordance with paragraph 6 of the Regulations on Registration of Contracts for Civil Engineering Works (Classification of Registered Contractors), 5744-1984, the classifications in each group have been updated.

Following is the list of group classifications updated according to the cost of living index published on March 15, 1986

Group Classification	Group A IS (million)	Group B IS (million)	Group C IS (million)	Building Branch (sq.m.)
1.	170	290	425	1250
2.	340	580	850	2500
3.	780	1160	1700	5000
4.	1560	2320	3400	10,000
5.	Unlimited	Unlimited	Unlimited	Unlimited

Classification scope changes every three months. The next change will be on July 1, 1986.

Contractors may carry out civil engineering works only within the authorized classification framework.

Contractors have been notified of their authorized classification in accordance with regulations.

Arye Bar-On
Registrar of Contractors

Purchasers of Flats! Do your purchasing only from a contractor whose classification suits the building work in which he is engaged.



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LABOUR BRIEFS

By TSIPPI KUPER

BET SHEMESH Engines workers plan to demonstrate outside the Prime Minister's Office in Jerusalem tomorrow, demanding that the government help the debt-ridden plant. The Ministerial Economic Committee is due to meet tomorrow to discuss the plant's future. Israeli-American businessman Arye Genger has expressed interest in buying the plant, which has debts of tens of millions of dollars.

One alternative is to sell it to the Histadrut's Koor. A third option, selling to Israel Aircraft Industries, has met the opposition of Pratt & Whitney, the American partner in the plant.

"Time is against us, as bank interest accumulates," workers committee member Pini Shifman said yesterday. "We are disappointed, because the ministerial committee has twice postponed its meeting on our problem."

A WORKER whose salary was temporarily reduced by a collective labour accord shortly before he was dismissed should receive compensa-

tion calculated on the basis of his original earnings.

The Knesset Labour and Social Affairs Committee approved this amendment to the Labour Compensation Law last week. It was passed on the Knesset agenda for the bill's second and third reading.

A worker who was fired during the wage freeze should receive a supplement to his compensation pay, according to the bill.

DESPITE A SLIGHT decline in nationwide unemployment during March, the number of unemployed in Jerusalem and in Nazareth rose. In Jerusalem, 1,315 people were registered at the labour exchange for at least six days during the month, 75 more than during February. In Nazareth, over 100 more people registered as unemployed.

The Jerusalem Labour Council spokesman said that some 40 local workers had been fired from Kupat Holim during the month. Another 25 are soon to be laid off. Additional dismissals are expected in the city when Solel Boneh reduces its local work force by some 120.

Imports rise 7.5% over the last quarter

By AVI TEMKIN

Post Finance Reporter

Imports of goods totalled \$2,160 million in the first quarter of the year, compared to \$1,876m. in the same period last year, an increase of 15 per cent. Figures published yesterday by the Central Bureau of Statistics showed that the level of imports was 7.5 per cent higher than in the previous quarter.

The bureau added that the low prices of oil had largely offset the rise in imports over the last months. The value of oil imports fell from \$354m. in January-March 1985 to \$333m. in the first quarter of the year.

Imports of goods totalled \$768m. in March, compared to \$636m. the same month last year. The bureau said that the level of imports for last month was similar to the high level reached at the end of 1985.

The bureau said that imports of production inputs, excluding fuel, rose by 10 per cent in the first three months of 1986, compared to the previous quarter. Imports of investment goods rose by 12.5 per cent, after an increase of 24 per cent in the last three months of 1985.

National economic indicators

By AVI TEMKIN

PRICES		
Consumer Price Index (Feb.) (Average 1985=100)	136.7 points	
Monthly inflation rate (Feb.)	1.5%	
(same month year ago)	(13.5%)	
Quarterly inflation rate (Dec.-Feb.) (in annual terms)	6.5%	
(same period year ago)	(135.9%)	
Year ending February	139.4%	
(same period year ago)	(405.9%)	
Price index of inputs in residential building (Oct. 1983=100) (Feb.)	1772.4 points	
change over month	2.7%	
Wholesale price index (Feb.) (Average 1977=100/100)	157.2	
points change over month	1.5%	

DEVALUATION		
Exchange rate, NIS for \$ (April 4)	NIS 1.4936	
(same date year ago)	(1588.05)	
devaluation since beginning of month	minus 0.25%	
Year ending 4.4.86	minus 0.84%	
Basket of currencies (14.3) (devaluation since beginning of month)	minus 1.27%	
Since Dec. 31, 1985	0.96%	
Year ending 14.3.85	96.1%	

UNEMPLOYMENT		
Unemployed persons (Oct.-Dec.) (Seasonally adjusted)	99,000	
Unemployed as % of civilian labour force (previous quarter)	6.7%	
	(7.8%)	

GOVERNMENT FINANCE		
Monthly injection (plus) or absorption (minus) March	minus NIS 74 m.	
Monthly average for last three months	minus NIS 31.3 m.	
Since beginning of fiscal year (in dollar terms)	plus \$273 m.	

CREDIT AND FINANCE		
Estimated average cost of credit (in annual terms, adjusted for inflation)	20%	

FOREIGN TRADE AND FINANCE		
Trade deficit (since beginning of year)	\$423 m.	
(same period year ago)	\$344 m.	
Foreign currency reserves (end March.)	\$3.0 m.	
(change over month)	minus \$77 m.	

Dollar on steady rise

TEL AVIV. - The dollar rose every day last week and closed the week considerably higher against the major currencies. It gained 4.4% against sterling, 6.6% against the DM, 6.3% against the Swiss franc and 2.6% against the Japanese yen. It continued to be supported by technical signals throughout the week, indicating that the year-long downturn had ended. It was helped by remarks by U.S. Treasury Secretary James Baker that he was satisfied with the level of the dollar. The dollar further benefited from the uncertainty regarding the outcome of the EC finance ministers meeting in Holland this weekend.

An agreement was reached yesterday over the realignment of their currencies, a 3% revaluation of the DM, a 3% devaluation of the French franc, and a 3% revaluation of the Dutch guilder. The French government said it would lift price controls without delay.

The pound sterling ended the week lower against the dollar, but steady against European currencies, buoyed by high interest rates.

Forecasts - the market is still in a major correction phase. We expect the dollar to become stronger around 2.50-2.55 against the DM. We advise clients to stand on the sidelines and not to take any action against the dollar.

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The stoppage will remove about 900,000 barrels of oil per day from glutted world markets. Spot market oil prices rose on Friday evening in New York on reports that the strike was imminent.

Strike halts Norwegian oil output

OSLO (Reuters). - All Norwegian oil and gas production stopped yesterday after 670 offshore workers engaged in food supply went on strike for a 28 per cent pay rise and employers retaliated by locking out all other oil production workers.

Norwegian radio, quoting oil analysts, said oil prices could rise

several dollars on the spot market today when European markets reopened.

The stoppage will remove about 900,000 barrels of oil per day from glutted world markets. Spot market oil prices rose on Friday evening in New York on reports that the strike was imminent.



WHAT'S ON

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JERUSALEM

Museums

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TEL AVIV

Museums

TEL AVIV MUSEUM. Exhibitions: The War of Matter, a Quality in Israeli Art. 21 elite Israeli artists show work of last 26 years. The Museum's collection of classical,

Impressionist, post-impressionist and contemporary art. Museum Visiting Hours: Sun-Thur. 10-2; 5-9. Sat. 11-2; 7-10. Fri. closed. Helena Rubinstein Pavilion: Exhibition of Works by Scholarship Winners 1986 Sharnet Scholarship Programme. (until 8.4).

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TICKET SALES HAVE STARTED



May 24 - June 15 1986

THE PROGRAMME IS THE KEY

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MARKET PLACE

Macabee Dean

Gambling on research and development

If we must gamble with our money, why not turn it into venture capital for small local research and development (R & D) projects. In these undertakings the gambler will be hurt if he loses, as will the R & D project directors, who will lose not only their own funds, but also their investment in time and scientific effort. But the winners, although they may be few, will grow to include the entire country's export efforts.

The chairman of the Israel High-Tech Industries Association, Moshe Cohen, has been pressing the government for some time to permit setting up local R & D venture capital funds. They would be administered by a reliable trustee, who would allocate the money raised by selling equity in the fund to those projects which seem to have a good future, but which are stymied half-way through a project.

These small companies — there are more than 750 of them — have done their R & D homework. They have developed the prototype of a product. But they lack funds to develop it into a pilot plant, the forerunner of the actual manufacturing process. Above all, they lack the funds to launch marketing campaigns abroad.

In today's competitive markets abroad, the product must go and seek out the buyer. The latter is overwhelmed with enough good products as it is; rarely will he go looking for them.

The gambling instinct is deeply rooted in many Israelis. The Tel Aviv Stock Market is a prime example. Few companies pay cash dividends; many do not even make a profit. Also, huge sums flow each week into Mifal Hapayis and the Football Toto.

And there is plenty of loose money about, despite talk of industrial cutbacks and the rising numbers of jobless in development towns. My yardstick has always been such indicators as the light plane hovering over Tel Aviv every morning to pinpoint traffic jams for tens of thousands of drivers. Generally there is only one person in the car.

The so-called Elcint Law, despite its shortcomings, has paved the way for local investments in venture capital. But this law was designed for the large industrial firms which had a proven track record — at least until the world's electronic industries slumped.

At present, four per cent of our 750 high-tech plants do 70 per cent of the exports; the remaining 720 plants together do only 30 per cent.

And R&D exports are the country's life-blood and best natural resource. Exports of products (excluding diamonds) with locally developed know-how grew from 29 per cent of \$1,000 million worth of civilian industrial exports in 1975, to 48 per cent of \$4,465m. in industrial exports in 1985. R&D investments grew from \$42m. in 1975 to \$225m. in 1985.

(Of this latter sum, some \$45m. came from the office of the Chief Scientist in the Ministry of Industry and Trade.)

To achieve the goal of \$8,245m. in civilian industrial exports (excluding diamonds) by 1990 with 60 per cent in local R&D, huge sums of venture capital must flow into the small high-tech plants. Today's giants, such as Elcint and Scitex, were also in diapers once.

"Gambling" and venture capital are synonymous. The Chief Scientist's office shows that 41 per cent of the projects it has helped finance were technical successes, and 26 per cent were commercial successes abroad.

But these figures are misleading, for the Chief Scientist's office helped finance only those projects with a high chance of succeeding. Abroad, the success rate is only about 5 per cent of all projects.

Moreover the Chief Scientist placed most of his funds in those fields which were booming at the time — such as electronics — which got about 60 per cent of all funds; most of the remaining 40 per cent went into chemistry, rubber, plastics, biotechnology and machinery. Only about one per cent went into such fields as processed foods and textiles. And it is these fields which should be the chief beneficiaries of the Israel-U.S. Free Trade Area agreement.

Finally, two more arguments for gambling on R&D in small plants. It will help curtail the brain-drain; and it should generate foreign investments, for venture capitalists abroad often take their lead from local investors.

Ethiopia triples foreign reserves

ADDIS ABABA (AFP). — Despite an unprecedented drought and famine which threatens millions of lives, Ethiopia more than tripled its holdings of foreign currency last year, official figures show.

The figures indicate that Ethiopia's foreign reserves climbed from \$44.3 million at the end of 1984 to \$148m. last year.

International financial experts here attributed the rise to the effects of tight government controls on imports and heavy spending within Ethiopia by international aid agencies, which finance their efforts with foreign currency.

The experts said rising world prices for coffee, a key Ethiopian export and falling prices for oil should this year permit the government to further increase its foreign reserves, which a recent World Bank report noted were being managed "wisely."

At the same time, the government has been holding down its own spending, with the domestic budget deficit for 1985 three per cent lower than planned, totalling eight per cent of expenditures.

The UN Office for Emergency Aid to Ethiopia said that in 1985 a

total of 37 nations, the European Economic Community and six international organizations brought more than \$1.1 billion into the country in the form of emergency relief.

The U.S. was the top donor of food aid, providing some 440,000 tons of goods and \$28m. in material aid, for a total of \$28m. — more than a third of all international assistance.

The Soviet Union, which, according to UN statistics provided no food aid to Ethiopia, was the country's second overall donor with non-food assistance worth \$260m. The EEC was third, with \$82m., \$62m. of it in food aid.

May Day wages should 'aid ailing firms'

Jerusalem Post Reporter
HAIFA. — Haifa Labour Council secretary Moshe Wertman has called on the Histadrut to declare Labour Day, May 1, a regular working day — with workers donating their wages to firms in financial difficulties.

Wertman said this would be a better expression of workers' solidarity than the traditional May Day parades and rallies.

Insurance agents and terrorism

Post Finance Reporter
Some 200 representatives of insurance agent organizations in 42 countries are in Jerusalem over the first half of this week for a convention on the effects of international terrorism and vandalism on their business.

The conference is held under the auspices of the BPAR. (Bureau International des Producteurs d'Assurances et de Reassurances), and marks the first time since 1967 that it has been hosted by the Israel Chamber of Insurance Agents.

At a press conference yesterday at Beit Agora, the international president of BPAR, Claude le Gros, and the chairman of the Israeli organization, Harold Statzen, who is also the chairman of the conference, spoke of the role of their organizations. BPAR, which is headquartered in Paris, has been concentrating in recent years on professional problems connected with the EEC, le Gros said.

An impressive array of speakers will address the conference. They will include the head of military intelligence, Aluf Amnon Shahak, and Dr. Ariel Merari, of the Institute for Strategic Studies.

Stock Exchange

MARKET STATISTICS

Indices:

General Share Index	114.99	+0.11%
Non-Bank Index	131.16	+0.13%
Arrangement	107.46	+0.22%
Insurance	154.99	+2.26%
Commerce, Services	139.23	+0.16%
Real Estate	158.03	-0.75%
Industrial	122.38	+0.33%
Textiles	148.92	+1.02%
Metals	112.79	+0.07%
Electronics	103.42	+0.13%
Chemicals	120.61	-0.03%
Industrial Invest.	125.86	+0.21%
Investment Cos.	136.98	-0.67%
General Bond Index	103.38	+0.52%
Index-linked Bonds	103.20	+0.46%
Fully-linked	105.03	+0.58%
Partially-linked	101.98	+0.36%
Dollar-linked Bonds	101.44	+0.75%
Short-term 0-2 yrs	102.50	+0.43%
Medium-term 2-5 yrs	102.87	+0.47%
Long-term 5+ yrs	103.24	+0.78%

Turnovers:

Shares — total	NIS 9,701,700
Arrangement	NIS 3,282,000
Non-bank	NIS 6,417,900
Bonds — total	NIS 6,340,300
Index-linked	NIS 3,668,900
Dollar-linked	NIS 2,671,400
Treasury Bills	NIS 16,135,500

Share Movements:

Advances	185	(106)
of which 5%+	37	(20)
"buyers only"	11	(7)
Declines	129	(175)
of which 5%+	36	(52)
"sellers only"	3	(6)
Unchanged	92	(109)
Trading Halt	52	(48)

Bond Market Trends:

Index-linked	3% fully-linked	Rises to 3%, falls to 1%
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4.25% fully-linked	Rises to 3%
80% linked	Rises to 1%
90% linked	Stable/floating movements
Double-linked	Rises to 1%
Dollar-linked	Rises to 1.5%
Admon	Rises to 1%
Rimon	Rises to 2%
Gilboa	Rises to 2%
For. Curr. denominated	Rises to 2%
Treasury Bills (monthly yield)	1.38% to 1.69%

Arrangement yields:

IDB ord.	11.27%
Union 0.1	11.18%
Discount	11.35%
Mifal H. P.	11.43%
Hapoelim r.	11.71%
General A.	11.12%
Leumi stock	11.88%
Fin. Trade 1	10.28%

SELECTED PRICE QUOTATIONS

Name	Price	Volume	% change
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Commercial Banks			
(not part of "arrangement")			
Maritime 1	1357	3511	+3.8
General non-arr.	32500	120	-4.1
First in '1	3400	3359	
First in '1	3679	2407	-0.0

Commercial Banks			
(part of "arrangement")			
IDB r.	82200	405	+0.8
Union 0.1	61285	128	-0.0
Discount	104700	323	
Mifal H.	33891	1471	+0.0
Hapoelim r.	55275	1835	
General A.	143199	36	-0.0
Leumi 0.1	35150	1995	
Fin. Trade	46190		-0.1

Mortgage Banks			
Leumi Mort. r.	3800	69	-5.0
Dev. Mort.	1090	1618	
Mishkan r.	2110	146	+1.9
Tefahot r.	11907	70	+5.0
Merriv r.	3190	414	+1.0

Financial Institutions			
Agriac C.	35500		
Ind. Dev. DD	no trading		
Clal Leasing 0.1	9452	48	+2.2

Insurance			
Arant 0.1 r.	4805	391	+7.9
Hesneh r.	489	24247	
Phoenix 0.1	1350	793	+3.8
Hamishmar	7000	19	-2.1
Memorah 1	6999	30	+8.9
Sahar 1	4880	125	+0.3
Zion Hold. 1	14415		+9.2

Trade & Services

Mifal H. P.	4270	46	-0.2
Supernol 2	4300	457	
Dalek r.	4850	919	
Lightstar	8800	17	-1.1
Cold Storage	no trading		
Dan Hotels	4690	154	-6.0
Yarden Hotel	3270	216	-0.9
Hilon 1	13199	35	+10.0
Team 1	1850	818	+1.6

Real Estate, Building and Agriculture

Azoricim	4730	5763	+6.3
Silon	1625	1252	+4.5
Africa Isr. 0.1	38200	52	
Denkmar	3730	772	-1.3
Prop. & Bldg.	2710	2503	
Bayada 0.1	4098	176	-4.7
ILDC r.	43050	126	-1.1
Ressco r.	5415	8.0	-5.0
Mehadrin	9030	273	-4.5
Hadarim	1184	3735	-0.5

Industrials

Dubek b	3480	930	-1.8
Ph-Ze r.	2405	1003	+8.7
Surfrost	8720	289	+2.5
Elita	13500	112	-0.7
Adgar	700	1915	
Argaman r.	3275	b.o.1	w.0
Delta G 1	4710	175	+1.7
Maqueta 1	22646	3	+5.0
Eagle 1	9450	109	-0.3
Poigist 0.1	8900	204	+0.9
Schoenhera	14900	80	-1.3
Rogovin	3070	971	
Urden 0.1 r.	9800	78	-4.4
Is. Can. Co. 1	1085	1945	
Zion Cables	2250	625	+8.7
Packer Steel	4800	646	-7.8
Elbit 3 r.	40800	8	-1.7

Elron

Art	386000	21	-2.8
Clal Electronics	31000	438	
Spectronix 1	2710	5484	+4.7
T.A.T. 1	1306090	262	-1.0
T.A.T. 1	3310	278	-6.2
Admeston 1	1600	627	+2.0
Agan 5	18572	7	
Alliance	1225	373	+4.7
Declar	5125	80	
Fertilizers	11835	81	+2.2
Haifa Chem.	840	4795	-1.4
Teva r.	56000	97	-1.8
Dead Sea r.	14800	1071	
Petrochem.	455	21014	
Neca Chem.	3306	315	+5.0
Frutrom	12844	b.o.2	+5.0
Hadera Paper	178900	64	-0.3
Central Trade	6690	249	
Koor p.	5000000	0	+3.1
Clal Inds.	1448	7167	-0.1

Investment Companies

IDB Dev. r.	3830	3454	-1.8
Elam	2744	1778	-0.0
ARI 1	no trading		
Gehazit	1420	73	+4.4
Israel Corp. 1	8600	282	-1.8
Wolfson 1 r.	108020	20	+10.0
Hapoelim Inv.	4540	786	
Leumi Invest.	4140	604	-5.9
Discount Invest.	2250	8018	+1.7
Mifal Invest.	18400	90	+2.5
Clal 10	2399	876	-0.0
Landeco 0.1	8757	20	+5.0
Pama 0.1	8550	111	-9.9

Oil Exploration

Pei Oil Expl.	12400	98	
J.O.E.L.	1355	889	+3.0

Abbreviations: a.s. sellers only b. buyers only r. registered

Israel Money Markets April 6, 1986

SHEKEL INTEREST RATES
PRIME BORROWING RATE: 1.25% per month
Unlinked Deposit (Annual Rates)

	LAST UPDATED	TAPAS	PAKAM 7-DAY	PAKAM 30-DAY
LEUMI	5.4	8-12%	8-12.25%	9-14%
HAPOLIM	13.3	10-12%	11-12%	12-12.5%
DISCOUNT	3.4	7-13%	7-13%	9-13%
MIZRAH	8.4	6-13%	6-14%	6-16%
FRIST INTL	12.3	6-13%	7-13%	6-13%

Rates vary according to size of deposit.
(Tapas: demand deposit paying daily interest.
Pakam: fixed-term deposit available from 7 to 59 days.)

PATAH — FOREIGN CURRENCY DEPOSIT RATES (as of April 6)

	3-MONTHS	6-MONTHS	12-MONTHS
USD	6.625	6.500	6.500
STG	10.375	8.625	9.125
DMK	3.875	3.875	3.875
SFR	3.375	3.250	3.250
YEN	3.500	3.250	3.250

Rates vary according to size of deposit and are subject to change.

SHEKEL FOREIGN EXCHANGE RATES

COUNTRY	CURRENCY	CHEQUES AND TRANSACTIONS	BANKNOTES	BANK OF ISRAEL Representative Rates
U.S.A.	DOLLAR	1.48—	1.50—	1.4826
U.K.	STERLING	2.15—	2.15—	2.1224
GERMANY	MARK	0.6248	0.6327	0.6266
FRANCE	FRANC	0.1970	0.1985	0.1991
HOLLAND	GULDEN	0.5544	0.5614	0.5577
SWITZERLAND	FRANC	0.7471	0.7564	0.7532
SPAIN	PESETA	0.0209	0.0212	0.0210
NORWAY	KRONE	0.2016	0.2041	0.2027
DENMARK	KRONE	0.1686	0.1707	0.1700
FINLAND	MARK	0.2799	0.2838	0.2817
CANADA	DOLLAR	1.0659	1.0782	1.0733
AUSTRALIA	DOLLAR	1.0668	1.0802	1.0739
SOUTH AFRICA	RAND	0.7082	0.7181	0.7138
BELGIUM	FRANC	0.3028	0.3086	0.3045
AUSTRIA	SCHILLING	0.8876	0.8988	0.8943
ITALY	LIRE	0.8964	0.9068	0.9025
JAPAN	YEN	0.8252	0.8355	0.8310
JORDAN	DINAR	—	—	—
EGYPT	POUND	—	—	—

SUPPLIED BY BANK LEUMI

European Financial Markets

Precious Metals

GOLD:	LONDON	A.M. FIX	335.80	P.M. FIX	334.50
SILVER:	LONDON	NOON FIX	336.76	ZURICH P.M.	334.25
PLATINUM:	LONDON	FIX	519.55		
PALLADIUM:	LONDON	P.M.	404.75		
			106.50		

FOREIGN CURRENCY CROSS RATES (London 15.30GMT)

	SPOT	3 MTHS	6 MTHS	12 MTHS
DEUTSCHE MARK	2.3600/80	117/112	167/162	318/30

THE JERUSALEM POST

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Editor and
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Togetherness — by Moda'i

ON WEEKENDS, weary as he apparently is with the past week's burden of financial administration, Finance Minister Yitzhak Moda'i often goes into opposition to the government in which he serves. This past weekend, however, Mr. Moda'i outdid himself by letting loose a tirade so vile against his own prime minister that it suggested that the chairman of the Liberal Party may actually be about to cross the lines.

This he has no intention of doing. True, Mr. Moda'i depicted Koor, Solei Boneh and the kibbutzim — in classic Revisionist style — as leeches sucking the blood of the nation. He labelled Premier Shimon Peres, just back from a visit to the U.S., "a flying prime minister." He denied Mr. Peres any credit for the planning or implementation of the economic recovery programme, except for having enlisted the Histadrut's cooperation for the purpose.

But then Mr. Moda'i mustered the gall to express his hope that the cooperation with Mr. Peres would continue after the rotation in October.

If this is what Mr. Moda'i hopes and sincerely believes the country needs, he has done his very best to make it wellnigh impossible.

The Finance Minister's eagerness to claim sole parental rights to the recovery programme, now that it can be said to have been a success, is ridiculous in its arrogance. Not too long ago, he suggested it wouldn't work because the formula adopted did not follow the Draconian lines he originally proposed to Mr. Peres. The premier, Mr. Moda'i says, understands no economics. It may be well to remind the incumbent finance minister that the last but one of his predecessors, Yoram Aridor, was the first Israeli finance minister with academic training in economics, and he managed to bring the country to the verge of economic collapse.

But Mr. Moda'i's weekend interviews were much less frequent and much less strident in the merry days of Mr. Aridor, when a "war of choice" was fought in Lebanon that cost the country not only over 600 dead but \$5 billion.

The premier is also much too conciliatory for Mr. Moda'i's liberal taste. True, Mr. Peres is conciliatory. He did not, like Mr. Moda'i, wish to rule the country by emergency decrees. If Mr. Peres had not been conciliatory, preferring consensus to peremptory orders, not only the Histadrut but also the industrialists would never have cooperated in the task of recovery. Had Mr. Peres not been conciliatory, he would never have given Mr. Moda'i the support he did for an economic policy that rides roughshod over considerations of social justice.

But the most disingenuous and misleading argument — if argument is the term it deserves — in Mr. Moda'i's weekend diatribe is his valedictory to a renewal of growth which he never planned and never intended.

The bailout of Kupat Holim, Solei Boneh and the kibbutzim cotton farms has, says, Mr. Moda'i, gobbled up all the resources that might have been available for growth. The finance minister conveniently forgets that Elscint, too, was rescued; that the government has assumed the guarantee of Zim's immediate debts from the Eisenberg Group, that the private health funds and private contractors have been promised money for which they did not even ask. Mr. Moda'i, who claims to be an economic expert, should know what even lesser lights in economics fully realize: that these bailouts consist mostly of a rescheduling of debts that ballooned in no small part due to a monetary policy of insanely high interest rates.

True, the rescheduling may saddle the Treasury with the difference in interest rates, and with additional expenditures. But the major part of these financial rescues involves no real resources. They would not be competitive with reviving growth, if that is what Mr. Moda'i had intended.

The truth is that there never was any provision for growth in the new budget. Mr. Moda'i is apparently seeking an alibi for its absence so that he can point an accusing finger at Labour and financial enterprises affiliated with it if, after the rotation, things begin to go wrong with the economic stabilization, or if unemployment begins to soar, and the blame is put at his door.

U.S. STILL WARY

(Continued from Page One)
attacks or those who gave them their orders, he said in a television interview.

In Washington last night, at the American-Israeli Public Affairs Committee annual meeting, William Casey, director of the Central Intelligence Agency, praised the cooperation between the CIA and the Mossad in the war against terror. He hinted that similar cooperation existed between the U.S. and the intelligence services of friendly Arab countries. Casey sharply criticized Syria's aggressive stance towards Israel and warned of Soviet meddling.

Walter Ruby adds from New York: The latest issue of Time magazine includes a seven-page condensation of a new book about terrorism by Israel's Ambassador to the UN, Binyamin Netanyahu.

The book, *Terrorism: How the West Can Win*, is to be published soon by Farrar, Straus, Giroux. It argues that the only sensible policy for governments is to refuse to deal with terrorists, and to be ready to use force.

Netanyahu points to Israel's Entebbe raid, the West German freeing of hostages on a Lufthansa plane in Mogadishu, Somalia, and the action by Dutch security forces against South Moluccan terrorists holding a train in Holland as examples of how to deal with terrorists.

In an approving commentary on the Netanyahu book, *Time* comments: "Though some will find (Netanyahu's) prescriptions too tough and will quarrel with his refusal to give undue weight to the root causes of terrorism, the fact remains that no Israeli plane has been seized by terrorists in the ten years since Entebbe." (See *Bertha* issue, page 4.)

TIES WITH BONN

(Continued from Page One)
deals during this visit. Captain Ulrich Hundt, an aide to Woerner, noted that before leaving Germany the minister said he would not arrange any arms deals with Israel on his trip. The minister can influence decisions, but he shares his status as

adviser to the chancellor on such matters with the foreign and economic affairs ministers.

West German government officials are reportedly unhappy with the publicity which Israel has given the military cooperation between the two countries in recent days.

PERES LASHES BACK

(Continued from Page One)
ments made those of Sharon several months ago "look like compliments." After the Sharon affair Peres threatened to dismiss any minister who stepped out of line in the future. Baram said that tension over Moda'i's comments would affect the convention and the issue of

rotation. Labour and Social Affairs Minister Moshe Katsav told Israel Radio last night that the crisis was artificial. He said that Peres should accept Moda'i's denial, adding that the finance minister's outburst had nothing to do with the rotation.

Friends of the Archeological Institute,
Tel Aviv University

Archeological Tour of Greece and Yugoslavia

In the English language
will take place between May 9 and May 27.
For further information, call Neot Hakikar,
Tel. 02-636494, 03-463111 (Hanna, Reuven or Effi).

Frightening crisis for Ethiopian Jews

LOUIS RAPOPORT

IT'S NOW just over a year since some 8,000 Ethiopian Jews were airlifted to Israel from the pestilential refugee camps where they had been waiting for rescue. In the previous four years, some 7,000 "Falashas" were saved by Israel. About 3,000 Ethiopian Jews died in those camps in the year before Operation Moses, leaving the bereaved family members traumatized. Now, because of internecine battles in the bureaucratic immigration institutions, the cold-heartedness of the Chief Rabbinate, and bitter intra-communal problems among the Ethiopian Jews, these survivors are facing an emergency situation in their new home, and there have reportedly been several suicides in recent weeks.

Unless the government attends to this life-and-death situation immediately — setting up an emergency committee to deal with the most urgent problems — thousands of

many of those who came shortly after disease wiped out members of their families in the camps.

The Chief Rabbinate's requirement that Ethiopian Jews wishing to marry had to undergo a semi-conversion ritual was seen as insulting and cruel, but not as a reason to commit suicide. And the rabbis, at one point, actually appeared willing to reach some sort of compromise. The Ethiopians could "live with it," just as the majority of Israelis have learned to submit to living in a society where religion and state are not separated.

BUT THE LONG sit-in demonstration opposite the Chief Rabbinate in Jerusalem last year worsened relations between the religious establishment and the Ethiopian immigrants.

'What seems incomprehensible is how the religious will not, in this particular case, seek to find some compromise acceptable to the Ethiopians'

Ethiopian Jews will no longer be Jews. The more militant leaders, some of whom appear to have psychological problems of their own, are threatening to "secede" from the Jewish people, and to become an outsider community like the Karaites or the Samaritans, heretical sects that reject the Talmud and rabbinical Judaism.

Israel will have a "black problem." The thousands of Ethiopian Jews who oppose the radicalization of their community and wish to be fully integrated into Israeli society and the Jewish religion will be stigmatized. This traumatized, de-racinated people will be further demoralized.

Most of the thousands of Ethiopian Jews who arrived in the years before the airlift have made great strides towards adjustment to a foreign environment and have been spared the radicalization affecting

And contrary to reports in the media dominated by left-liberal secularists, there was no groundswell of support for the Ethiopian cause. In fact, the opposite was the case. Many Israelis simply let their racism emerge. Others said, "They want to go back to Ethiopia? So go back!"

From the religious viewpoint, there apparently is a genuine argument that Jews who did not have Hebrew or the Talmud — no matter how observant they may have been — must adjust to modern Judaism. Perhaps there was a double standard when it came to the full acceptance of intermarried Russian Jews who knew nothing about Judaism.

But it wasn't only the obscurantist black-garbed "ultra-Orthodox" who were saying that the Ethiopian Jews had to undergo ritual-immersion ceremonies. Many mainstream, intellectual Jews in the observant community also called for the Ethiopians

to submit to rabbinical demands.

To some secular Jews like myself, it all seems mumbo-jumbo, no matter how much one may wish to respect those who believe in it. Yet one can understand the religious viewpoint. But what seems incomprehensible is how the religious will not, in this particular case, seek to find some compromise acceptable to the Ethiopians. Whatever the pros and cons of the religious debate, it is all boiling down to the question of saving life, *pikuah nefesh*, the holiest injunction of Judaism. And the rabbis are ignoring this. Let the Ethiopians commit suicide, or secede from the Jewish people, the Chief Rabbinate seems to be saying.

ANOTHER important aspect of the emerging tragedy is the bureaucratic struggle between the Jewish Agency and the Absorption Ministry.

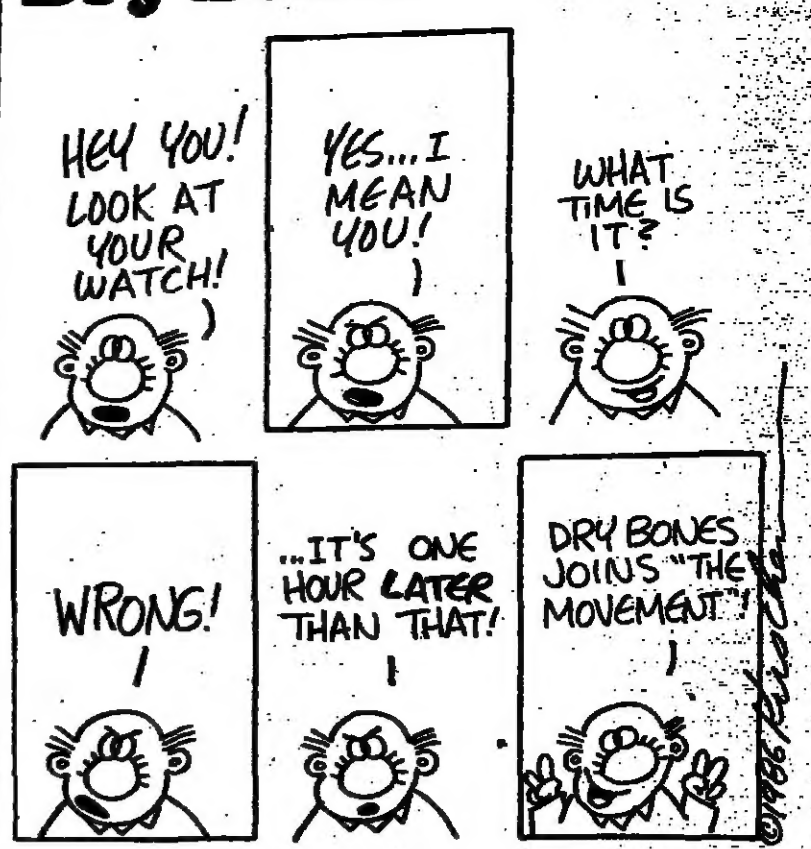
According to one knowledgeable immigration official, a major factor in the successful absorption of thousands of Ethiopian immigrants who arrived between 1980 and 1984 was that the Absorption Ministry agreed to put everything in the hands of Jewish Agency social workers and their helpers.

Because of the monumental culture-shock that the Ethiopians suffered, the professional care of a trained social service staff was required. In general, the Agency's Social Work Department takes responsibility for the immigration of "high risk" immigrants. In the case of the Ethiopians, it was more necessary than ever to provide them with caring, professional guidance with regard to housing, vocational training and employment.

The Absorption Ministry's role was mostly in funding for vocational training and housing. "The programme worked well, for the immigrants, the Agency and the ministry," the official said. The social workers were able to arrange for needs not generally covered by the ministry, such as dental care, private lessons for adults and children, day-care centres, and special allowances for acquiring major appliances, clothing, etc.

But during the year since Opera-

Dry Bones



tion Moses, there have been many changes. The Joint Distribution Committee has made funds available for the immigrants to purchase appliances and to pay for utility installations, and these funds are processed through the Absorption Ministry. The Agency's social workers now only provide services to individuals with special problems — the handicapped, aged, single-parent families — and not to the community as a whole.

The Absorption Ministry's master plan calls for vocational training for all adults, and establishes guidelines for permanent housing which would not concentrate large numbers of Ethiopian immigrants in one area, or in "disadvantaged" neighbourhoods.

But these criteria have been abandoned. The Ethiopians are no longer referred for formal vocational training. Absorption centres have been turned into permanent housing, and hundreds of Ethiopian immigrants have been put in block housing in shum areas in Ashkelon, Afula and Beersheba. What is happening is ghettoization. Mayor Eli Dayan of Ashkelon recently expressed his outrage at the government's indifference

ence, and at the terrible price that human beings must pay because of bureaucratic in-fighting over funds and power.

AMONG the Ethiopians themselves, the policy pursued by some of the militants is causing a schism. Threats of violence abound. The "establishment" religious leadership in the community has been shunned. The veteran Ethiopian immigrants who did more than anyone to bring their people to Israel — who were out there on the line risking their lives — are disregarded, dismissed as "tools of the Agency" or of special-interest groups. It is a frightening situation.

The community must take control of itself before irreparable damage is done. The government must attend to the emergency immediately.

Israel, with American help, redeemed thousands of Ethiopian Jews in an heroic operation. The great care that was shown should not be diminished in the face of this crisis.

The writer is a member of The Jerusalem Post editorial staff and author of two books about the Ethiopian Jews.

GO-IT-ALONE

(Continued from Page One)

The president of the Manufacturers Association has decided that as of this morning all of its offices will open and close an hour earlier. It also urged all its members to adopt summer time in their factories this week, and urged the adoption of summer time in the school system and by Israel Radio and Television.

The Coordinating Committee of Economic Organizations — an employers' umbrella organization for chambers of commerce, banks, agricultural marketing organizations, insurance companies, supermarket chains and diamond-polishing plants — voted to adopt summer time, with the date to be decided in meetings with the Histadrut.

The Histadrut and the Manufacturers Association are to meet tomorrow to decide on ways of implementing summer time.

The Histadrut central committee

decided yesterday to support summer time in every work place where both employees and employers want it. The new schedule is expected to begin immediately after Pesach.

Trade Union Department chairman Haim Haberfeld is to meet this week with representatives of the teachers unions and the bus cooperatives to seek their approval for the implementation of summer time.

The Secondary School Teachers Association said it favours summer time. The Histadrut Teachers Union said it would not initiate a proposal to introduce summer time, but would consider it positively if other factors of the economy asked it to.

The Wakf (Islamic Trust) in the West Bank implemented summer time at the weekend, the East Jerusalem daily *al-Kuds* reported yesterday. Jordan, too, adopted summer time at the weekend, following Europe's setting its clocks forward last weekend.

DEVALUATION OF FRANC

(Continued from Page One)

value the franc against four other currencies in the system — the Dutch guilder, the Luxembourg and Belgian francs and the Danish krone — by an average of 4.7 to 4.8 per cent. The two other currencies in the joint float, the Italian lira and the Irish pound, remain unchanged.

Balladur told reporters shortly after the currency shake-up was announced that French price controls, inherited from the previous, Socialist government, would be lifted without delay. He also pledged to remove long-standing barriers against capital flows.

French economists said the combination of a devalued franc and the abolition of price controls could push the country's inflation up to as much as 5 per cent in the next year unless the government took strong

action to hold down wages and the money supply.

The devaluation of the franc came under immediate fire from left-wing politicians. Diplomats said the losers in the EMS shuffle were West Germany and the Netherlands, whose exports will become more expensive and less competitive. But Stoltenberg said his country's economy and export trade were strong enough to withstand the change.

[The devaluation of the franc will increase the value of the shekel against the basket of Western European currencies, as did the recent weakening of the mark against the U.S. dollar. If the dollar continues to strengthen, Israel will be forced to devalue the shekel, currently set at roughly 1.5 to the dollar, perhaps within the next few days.]

READERS' LETTERS

DEFINITELY NO BLESSING

To the Editor of The Jerusalem Post Sir, — In response to Shmuel Himmelman's query (Letters, March 23), I can cite rabbinical interpretation for the view that Balaam's alleged blessing ("a people that dwells alone") was not to be taken as such. Thus Rabbi Yohanan in *Bamidbar Rabbah*: "From the 'blessing' of that wicked man (*oto rasha*) you can learn what was in his heart. He wanted to say that the Jews would not have their own synagogues and academies: so he said: 'how goodly are thy tents, O

Israel.' " Rabbi Yohanan then interprets all Balaam's blessings as curses (see *Sefer Ha'aggadah* page 83). Encyclopedia Judaica reports (Vol. II, page 123): "Some rabbis saw in him an immoral figure: 'An evil eye, a haughty spirit and a proud soul are the marks of the disciples of Balaam the Wicked.'" (Avot 5:19). In modern terms anyone advocating an isolated existence for Israel is demonstrably cooperating with the policies of our fiercest adversaries. Read the Palestine Covenant. Jerusalem. ABBA EBAN

SHOSTAKOVICH CONCERT

To the Editor of The Jerusalem Post Sir, — Thank you for sending Moshe Saperstein to review the all Shostakovich concert last week. Otherwise, I and 898 other chumps in the audience would never have known how bad a performance of the Fifth Symphony we had heard. Of course, we were also under the delusion that the Fifth is a great symphony. It is a good thing that we have music critics to put us right. As for the performance, Lenny could not have done it better. The

orchestra played flawlessly and Maxim Shostakovich conducted a wonderfully broad and sweeping performance while preserving all the tension of this great work. As far as poster art is concerned, Mr. Saperstein is right. This is poster art in the tradition of Beethoven's Fifth. STEVE STRAUSS Jerusalem.

DUTCH FLOWERS

To the Editor of The Jerusalem Post Sir, — As the Dutch flowerbells are in full bloom for the fifth year throughout Jerusalem, those who wish to write to the Israel Comité Nederland (who supplied them) are invited to do so to its new address: Bureau ICN, Postbus 245, 3970 AE Driebergen, Holland or c/o the undersigned. The Board of the ICN would like to express its appreciation to all those who wrote to it last year. MAX DRUKKER On behalf of the ICN

2, Oliphant Street Jerusalem.

HONORARY CONSUL

To the Editor of The Jerusalem Post Sir, — In his witty letter of March 25, Professor Werblowsky invokes the establishment of diplomatic relations with Albania and San Marino. Well, the Republic of San Marino is represented in Israel by an honorary consul general. EMILIO TRAUBNER Tel Aviv.

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